



LIFE AND ACCIDENT AND HEALTH COMPANIES - ASSOCIATION EDITION

ANNUAL STATEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2018  
OF THE CONDITION AND AFFAIRS OF THE  
STARMOUNT LIFE INSURANCE COMPANY

NAIC Group Code 0565 (Current) 0565 (Prior) NAIC Company Code 68985 Employer's ID Number 72-0977315

Organized under the Laws of MAINE, State of Domicile or Port of Entry ME

Country of Domicile United States of America

Incorporated/Organized 08/24/1983 Commenced Business 08/25/1983

Statutory Home Office 2211 CONGRESS STREET, PORTLAND, ME, US 04122  
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 8485 GOODWOOD BLVD.  
(Street and Number)  
BATON ROUGE, LA, US 70806 225-926-2888  
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address P.O. BOX 98100, BATON ROUGE, LA, US 70898-9100  
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 2211 CONGRESS STREET  
(Street and Number)  
PORTLAND, ME, US 04122 207-575-2211  
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.starmountlife.com

Statutory Statement Contact JONATHAN SANFORD 423-294-1882  
(Name) (Area Code) (Telephone Number)  
jsanford@unum.com 423-287-8597  
(E-mail Address) (FAX Number)

OFFICERS

Chairman, Executive Vice President	MICHAEL QUINN SIMONDS	President and Chief Executive Officer, Starmount	ERICH STERNBERG
Executive Vice President, General Counsel	LISA GONZALEZ IGLESIAS	Vice President, Chief Financial Officer, Starmount	JEFFREY GLENN WILD
Executive Vice President, Chief Information and Digital Officer	PUNEET BHASIN #	Executive Vice President, Finance	JOHN FRANCIS MCGARRY
Executive Vice President	TIMOTHY GERALD ARNOLD #	Senior Vice President, Tax and Treasury	CHERIE ANTOINETTE PASHLEY
Senior Vice President, Chief Accounting Officer	DANIEL JASON WAXENBERG	Senior Vice President, Finance	STEPHEN JOSEPH MITCHELL
Vice President, Treasurer	BENJAMIN SETH KATZ #	Vice President, Corporate Secretary	JEAN PAUL JULLIENNE

DIRECTORS OR TRUSTEES

STEPHEN JOSEPH MITCHELL	LISA GONZALEZ IGLESIAS	ERICH STERNBERG
PUNEET BHASIN #	JOHN FRANCIS MCGARRY	MICHAEL QUINN SIMONDS
	TIMOTHY GERALD ARNOLD #	

State of TENNESSEE SS:  
County of CHATTANOOGA

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Erich Sternberg  
President and Chief Executive Officer, Starmount

Jeffrey Glenn Wild  
Vice President, Chief Financial Officer, Starmount

Jean Paul Jullienne  
Vice President, Corporate Secretary

Subscribed and sworn to before me this 19 day of February, 2019

Tammy A. Herrick  
Tammy Herrick

My Commission Expires: August 25, 2020

- a. Is this an original filing? Yes [ X ] No [ ]  
b. If no,  
1. State the amendment number .....  
2. Date filed .....  
3. Number of pages attached .....



ANNUAL STATEMENT FOR THE YEAR 2018 OF THE STARMOUNT LIFE INSURANCE COMPANY

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D) .....	43,562,193		43,562,193	37,055,080
2. Stocks (Schedule D):				
2.1 Preferred stocks .....				
2.2 Common stocks .....	32,300		32,300	30,500
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....				
3.2 Other than first liens .....				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ ..... encumbrances) .....	5,513,040		5,513,040	5,636,869
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....				
4.3 Properties held for sale (less \$ ..... encumbrances) .....				
5. Cash (\$ .....26,814,374 , Schedule E - Part 1), cash equivalents (\$ .....1,850,314 , Schedule E - Part 2) and short-term investments (\$ .....0 , Schedule DA) .....	28,664,688		28,664,688	22,097,757
6. Contract loans (including \$ .....0 premium notes) .....	780,240		780,240	717,718
7. Derivatives (Schedule DB) .....				
8. Other invested assets (Schedule BA) .....				
9. Receivables for securities .....				
10. Securities lending reinvested collateral assets (Schedule DL) .....				
11. Aggregate write-ins for invested assets .....				
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	78,552,461		78,552,461	65,537,924
13. Title plants less \$ ..... charged off (for Title insurers only) .....				
14. Investment income due and accrued .....	496,855		496,855	442,428
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	7,984,304		7,984,304	10,186,689
15.2 Deferred premiums and agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums) .....	2,439,294		2,439,294	2,650,681
15.3 Accrued retrospective premiums (\$ ..... ) and contracts subject to redetermination (\$ ..... ) .....				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	514,847		514,847	451,342
16.2 Funds held by or deposited with reinsured companies .....				
16.3 Other amounts receivable under reinsurance contracts .....	241,271		241,271	219,558
17. Amounts receivable relating to uninsured plans .....				
18.1 Current federal and foreign income tax recoverable and interest thereon .....	423,300		423,300	0
18.2 Net deferred tax asset .....				
19. Guaranty funds receivable or on deposit .....	129,780		129,780	0
20. Electronic data processing equipment and software .....	1,486,990	657,683	829,307	339,972
21. Furniture and equipment, including health care delivery assets (\$ .....0 ) .....	291,851	291,851	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....				
23. Receivables from parent, subsidiaries and affiliates .....	2,393,733		2,393,733	0
24. Health care (\$ ..... ) and other amounts receivable .....				
25. Aggregate write-ins for other than invested assets .....	35,162		35,162	22,104
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	94,989,848	949,534	94,040,314	79,850,698
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
28. Total (Lines 26 and 27) .....	94,989,848	949,534	94,040,314	79,850,698
DETAILS OF WRITE-INS				
1101. ....				
1102. ....				
1103. ....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....				
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)				
2501. Reimbursement receivable .....	35,162		35,162	22,104
2502. ....				
2503. ....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....				
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	35,162		35,162	22,104

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE STARMOUNT LIFE INSURANCE COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1	2
	Current Year	Prior Year
1. Aggregate reserve for life contracts \$ ..... 23,619,882 (Exh. 5, Line 9999999) less \$ ..... 0 included in Line 6.3 (including \$ ..... 0 Modco Reserve) .....	23,619,882	22,501,019
2. Aggregate reserve for accident and health contracts (including \$ ..... 0 Modco Reserve) .....	258,289	244,696
3. Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1) (including \$ ..... Modco Reserve) .....		
4. Contract claims:		
4.1 Life (Exhibit 8, Part 1, Line 4.4, Col. 1 less sum of Cols. 9, 10 and 11) .....	663,546	1,033,060
4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Cols. 9, 10 and 11) .....	14,535,360	11,886,323
5. Policyholders' dividends \$ ..... and coupons \$ ..... due and unpaid (Exhibit 4, Line 10) .....		
6. Provision for policyholders' dividends and coupons payable in following calendar year - estimated amounts:		
6.1 Dividends apportioned for payment (including \$ ..... Modco) .....		
6.2 Dividends not yet apportioned (including \$ ..... Modco) .....		
6.3 Coupons and similar benefits (including \$ ..... Modco) .....		
7. Amount provisionally held for deferred dividend policies not included in Line 6 .....		
8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$ ..... 0 discount; including \$ ..... 3,232,246 accident and health premiums (Exhibit 1, Part 1, Col. 1, sum of lines 4 and 14) .....	3,290,519	1,345,561
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts .....		
9.2 Provision for experience rating refunds, including the liability of \$ ..... accident and health experience rating refunds of which \$ ..... is for medical loss ratio rebate per the Public Health Service Act .....		
9.3 Other amounts payable on reinsurance, including \$ ..... assumed and \$ ..... ceded .....		
9.4 Interest maintenance reserve (IMR, Line 6) .....	16,765	36,114
10. Commissions to agents due or accrued-life and annuity contracts \$ ..... 1,316 accident and health \$ ..... 2,104,054 and deposit-type contract funds \$ ..... .....	2,105,370	2,323,741
11. Commissions and expense allowances payable on reinsurance assumed .....	25,458	619,800
12. General expenses due or accrued (Exhibit 2, Line 12, Col. 6) .....	399,096	164,615
13. Transfers to Separate Accounts due or accrued (net) (including \$ ..... accrued for expense allowances recognized in reserves, net of reinsured allowances) .....		
14. Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 3, Line 9, Col. 5) .....	3,263,784	1,345,474
15.1 Current federal and foreign income taxes, including \$ ..... on realized capital gains (losses) .....	0	(459,879)
15.2 Net deferred tax liability .....		
16. Unearned investment income .....	31,653	30,059
17. Amounts withheld or retained by company as agent or trustee .....		
18. Amounts held for agents' account, including \$ ..... agents' credit balances .....		
19. Remittances and items not allocated .....	97,744	(37,954)
20. Net adjustment in assets and liabilities due to foreign exchange rates .....		
21. Liability for benefits for employees and agents if not included above .....		
22. Borrowed money \$ ..... and interest thereon \$ ..... .....		
23. Dividends to stockholders declared and unpaid .....		
24. Miscellaneous liabilities:		
24.01 Asset valuation reserve (AVR, Line 16, Col. 7) .....	389,189	305,696
24.02 Reinsurance in unauthorized and certified (\$ ..... ) companies .....		
24.03 Funds held under reinsurance treaties with unauthorized and certified (\$ ..... ) reinsurers .....		
24.04 Payable to parent, subsidiaries and affiliates .....	0	1,040,939
24.05 Drafts outstanding .....		
24.06 Liability for amounts held under uninsured plans .....		
24.07 Funds held under coinsurance .....		
24.08 Derivatives .....		
24.09 Payable for securities .....		
24.10 Payable for securities lending .....		
24.11 Capital notes \$ ..... and interest thereon \$ ..... .....		
25. Aggregate write-ins for liabilities .....	13,907	22,077
26. Total liabilities excluding Separate Accounts business (Lines 1 to 25) .....	48,710,562	42,401,341
27. From Separate Accounts Statement .....		
28. Total liabilities (Lines 26 and 27) .....	48,710,562	42,401,341
29. Common capital stock .....	3,000,000	3,000,000
30. Preferred capital stock .....		
31. Aggregate write-ins for other than special surplus funds .....		
32. Surplus notes .....		
33. Gross paid in and contributed surplus (Page 3, Line 33, Col. 2 plus Page 4, Line 51.1, Col. 1) .....	34,580,000	16,580,000
34. Aggregate write-ins for special surplus funds .....	0	3,389,731
35. Unassigned funds (surplus) .....	7,749,752	14,479,626
36. Less treasury stock, at cost:		
36.1 ..... shares common (value included in Line 29 \$ ..... ) .....		
36.2 ..... shares preferred (value included in Line 30 \$ ..... ) .....		
37. Surplus (Total Lines 31+32+33+34+35-36) (including \$ ..... in Separate Accounts Statement) .....	42,329,752	34,449,357
38. Totals of Lines 29, 30 and 37 (Page 4, Line 55) .....	45,329,752	37,449,357
39. Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3) .....	94,040,314	79,850,698
<b>DETAILS OF WRITE-INS</b>		
2501. Unclaimed Property to be remitted .....	13,907	22,077
2502. ....		
2503. ....		
2598. Summary of remaining write-ins for Line 25 from overflow page .....		
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....	13,907	22,077
3101. ....		
3102. ....		
3103. ....		
3198. Summary of remaining write-ins for Line 31 from overflow page .....		
3199. Totals (Lines 3101 thru 3103 plus 3198)(Line 31 above) .....		
3401. Estimated HIP Annual Fee .....	0	3,389,731
3402. ....		
3403. ....		
3498. Summary of remaining write-ins for Line 34 from overflow page .....		
3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above) .....	0	3,389,731

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE STARMOUNT LIFE INSURANCE COMPANY

SUMMARY OF OPERATIONS

	1 Current Year	2 Prior Year
1. Premiums and annuity considerations for life and accident and health contracts (Exhibit 1, Part 1, Line 20.4, Col. 1, less Col. 11) .....	209,895,083	179,671,053
2. Considerations for supplementary contracts with life contingencies .....		
3. Net investment income (Exhibit of Net Investment Income, Line 17) .....	1,719,056	1,386,125
4. Amortization of Interest Maintenance Reserve (IMR, Line 5) .....	(1,577)	15,178
5. Separate Accounts net gain from operations excluding unrealized gains or losses .....		
6. Commissions and expense allowances on reinsurance ceded (Exhibit 1, Part 2, Line 26.1, Col. 1) .....	1,829,712	2,045,275
7. Reserve adjustments on reinsurance ceded .....		
8. Miscellaneous Income:		
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts .....		
8.2 Charges and fees for deposit-type contracts .....		
8.3 Aggregate write-ins for miscellaneous income .....	736,837	609,503
9. Total (Lines 1 to 8.3) .....	214,179,111	183,727,134
10. Death benefits .....	4,882,857	5,804,183
11. Matured endowments (excluding guaranteed annual pure endowments) .....		
12. Annuity benefits (Exhibit 8, Part 2, Line 6.4, Cols. 4 + 8) .....		
13. Disability benefits and benefits under accident and health contracts .....	138,838,515	118,392,976
14. Coupons, guaranteed annual pure endowments and similar benefits .....		
15. Surrender benefits and withdrawals for life contracts .....	333,526	226,522
16. Group conversions .....		
17. Interest and adjustments on contract or deposit-type contract funds .....	6,670	9,347
18. Payments on supplementary contracts with life contingencies .....		
19. Increase in aggregate reserves for life and accident and health contracts .....	1,132,456	777,243
20. Totals (Lines 10 to 19) .....	145,194,024	125,210,271
21. Commissions on premiums, annuity considerations, and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Col. 1) .....	21,374,543	14,517,724
22. Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Col. 1) .....	399,264	8,241,306
23. General insurance expenses (Exhibit 2, Line 10, Cols. 1, 2, 3 and 4) .....	45,737,067	34,037,320
24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Cols. 1 + 2 + 3) .....	11,046,811	4,666,971
25. Increase in loading on deferred and uncollected premiums .....	1,663	(19,869)
26. Net transfers to or (from) Separate Accounts net of reinsurance .....		
27. Aggregate write-ins for deductions .....	48,483	0
28. Totals (Lines 20 to 27) .....	223,801,855	186,653,723
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28) .....	(9,622,744)	(2,926,589)
30. Dividends to policyholders .....		
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30) .....	(9,622,744)	(2,926,589)
32. Federal and foreign income taxes incurred (excluding tax on capital gains) .....	(130,301)	(877,667)
33. Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32) .....	(9,492,443)	(2,048,922)
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$ .....5,562 (excluding taxes of \$ .....(5,562) transferred to the IMR) .....	(5,562)	(717,201)
35. Net income (Line 33 plus Line 34) .....	(9,498,004)	(2,766,123)
CAPITAL AND SURPLUS ACCOUNT		
36. Capital and surplus, December 31, prior year (Page 3, Line 38, Col. 2) .....	37,449,357	32,250,348
37. Net income (Line 35) .....	(9,498,004)	(2,766,123)
38. Change in net unrealized capital gains (losses) less capital gains tax of \$ .....		
39. Change in net unrealized foreign exchange capital gain (loss) .....		
40. Change in net deferred income tax .....	(1,357,467)	(378,745)
41. Change in nonadmitted assets .....	819,359	(560,665)
42. Change in liability for reinsurance in unauthorized and certified companies .....		
43. Change in reserve on account of change in valuation basis, (increase) or decrease .....		
44. Change in asset valuation reserve .....	(83,493)	(95,457)
45. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Col. 2 minus Col. 1) .....		
46. Surplus (contributed to) withdrawn from Separate Accounts during period .....		
47. Other changes in surplus in Separate Accounts Statement .....		
48. Change in surplus notes .....		
49. Cumulative effect of changes in accounting principles .....		
50. Capital changes:		
50.1 Paid in .....		
50.2 Transferred from surplus (Stock Dividend) .....		
50.3 Transferred to surplus .....		
51. Surplus adjustment:		
51.1 Paid in .....	18,000,000	9,000,000
51.2 Transferred to capital (Stock Dividend) .....		
51.3 Transferred from capital .....		
51.4 Change in surplus as a result of reinsurance .....		
52. Dividends to stockholders .....		
53. Aggregate write-ins for gains and losses in surplus .....		
54. Net change in capital and surplus for the year (Lines 37 through 53) .....	7,880,394	5,199,009
55. Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38) .....	45,329,752	37,449,357
DETAILS OF WRITE-INS		
08.301. Interchange fee income .....	736,837	609,503
08.302. ....		
08.303. ....		
08.398. Summary of remaining write-ins for Line 8.3 from overflow page .....		
08.399. Totals (Lines 08.301 thru 08.303 plus 08.398)(Line 8.3 above) .....	736,837	609,503
2701. Fines & Penalties .....	48,483	0
2702. ....		
2703. ....		
2798. Summary of remaining write-ins for Line 27 from overflow page .....		
2799. Totals (Lines 2701 thru 2703 plus 2798)(Line 27 above) .....	48,483	0
5301. Prior year difference in accrual of federal taxes .....		
5302. Correction of 2015 dividend recording error .....		
5303. Reclassification of Unassigned Surplus to Paid In .....		
5398. Summary of remaining write-ins for Line 53 from overflow page .....		
5399. Totals (Lines 5301 thru 5303 plus 5398)(Line 53 above) .....		



ANNUAL STATEMENT FOR THE YEAR 2018 OF THE STARMOUNT LIFE INSURANCE COMPANY

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance .....	214,252,150	180,886,745
2. Net investment income .....	2,016,411	1,670,944
3. Miscellaneous income .....	2,544,837	2,789,741
4. Total (Lines 1 through 3) .....	218,813,397	185,347,430
5. Benefit and loss related payments .....	141,845,550	124,671,623
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....		
7. Commissions, expenses paid and aggregate write-ins for deductions .....	74,295,081	61,140,608
8. Dividends paid to policyholders .....		
9. Federal and foreign income taxes paid (recovered) net of \$ ..... tax on capital gains (losses) .....	(166,880)	1,759,998
10. Total (Lines 5 through 9) .....	215,973,751	187,572,229
11. Net cash from operations (Line 4 minus Line 10) .....	2,839,646	(2,224,799)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds .....	1,413,376	4,663,467
12.2 Stocks .....		
12.3 Mortgage loans .....		
12.4 Real estate .....		
12.5 Other invested assets .....		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....		
12.7 Miscellaneous proceeds .....	0	123,721
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	1,413,376	4,787,188
13. Cost of investments acquired (long-term only):		
13.1 Bonds .....	8,173,331	3,524,916
13.2 Stocks .....	1,800	4,100
13.3 Mortgage loans .....		
13.4 Real estate .....	0	3,542,077
13.5 Other invested assets .....		
13.6 Miscellaneous applications .....	0	725,803
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	8,175,131	7,796,896
14. Net increase (decrease) in contract loans and premium notes .....	62,522	103,523
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) .....	(6,824,277)	(3,113,231)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes .....		
16.2 Capital and paid in surplus, less treasury stock .....	18,000,000	9,000,000
16.3 Borrowed funds .....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....		
16.5 Dividends to stockholders .....		
16.6 Other cash provided (applied) .....	(7,448,438)	(302,448)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	10,551,562	8,697,552
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	6,566,931	3,359,522
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year .....	22,097,757	18,738,235
19.2 End of year (Line 18 plus Line 19.1) .....	28,664,688	22,097,757

Note: Supplemental disclosures of cash flow information for non-cash transactions:

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ANNUAL STATEMENT FOR THE YEAR 2018 OF THE STARMOUNT LIFE INSURANCE COMPANY

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	Ordinary			6	Group		Accident and Health			12
			3	4	5		7	8	9	10	11	
	Total	Industrial Life	Life Insurance	Individual Annuities	Supplementary Contracts	Credit Life (Group and Individual)	Life Insurance (a)	Annuities	Group	Credit (Group and Individual)	Other	Aggregate of All Other Lines of Business
1. Premiums and annuity considerations for life and accident and health contracts .....	209,895,083		6,776,144				287,168		184,220,375		18,611,396	
2. Considerations for supplementary contracts with life contingencies .....												
3. Net investment income .....	1,719,056		1,283,848	3,505			10,805		348,384		72,514	
4. Amortization of Interest Maintenance Reserve (IMR) .....	(1,577)		(1,192)	(3)			(10)		(306)		(66)	
5. Separate Accounts net gain from operations excluding unrealized gains or losses .....												
6. Commissions and expense allowances on reinsurance ceded .....	1,829,712										1,829,712	
7. Reserve adjustments on reinsurance ceded .....												
8. Miscellaneous Income:												
8.1 Fees associated with income from investment management, administration and contract guarantees from Separate Accounts .....												
8.2 Charges and fees for deposit-type contracts .....												
8.3 Aggregate write-ins for miscellaneous income .....	736,837								663,155		73,682	
9. Totals (Lines 1 to 8.3) .....	214,179,111		8,058,800	3,502			297,963		185,231,608		20,587,238	
10. Death benefits .....	4,882,857		4,757,968				124,889					
11. Matured endowments (excluding guaranteed annual pure endowments) .....												
12. Annuity benefits .....												
13. Disability benefits and benefits under accident and health contracts .....	138,838,515								127,083,462		11,755,054	
14. Coupons, guaranteed annual pure endowments and similar benefits .....												
15. Surrender benefits and withdrawals for life contracts .....	333,526		333,526									
16. Group conversions .....												
17. Interest and adjustments on contract or deposit-type contract funds .....	6,670		6,670									
18. Payments on supplementary contracts with life contingencies .....												
19. Increase in aggregate reserves for life and accident and health contracts .....	1,132,456		1,122,238				(3,375)				13,593	
20. Totals (Lines 10 to 19) .....	145,194,024		6,220,402				121,514		127,083,462		11,768,647	
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only) .....	21,374,543		28,571						17,325,366		4,020,606	
22. Commissions and expense allowances on reinsurance assumed .....	399,264						87,527		310,399		1,339	
23. General insurance expenses .....	45,737,067		1,418,846				60,130		40,063,679		4,194,412	
24. Insurance taxes, licenses and fees, excluding federal income taxes .....	11,046,811		389,498				16,507		9,664,430		976,377	
25. Increase in loading on deferred and uncollected premiums .....	1,663		1,663									
26. Net transfers to or (from) Separate Accounts net of reinsurance .....												
27. Aggregate write-ins for deductions .....	48,483		1,565				66		42,553		4,299	
28. Totals (Lines 20 to 27) .....	223,801,855		8,060,545				285,743		194,489,889		20,965,679	
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28) .....	(9,622,744)		(1,745)	3,502			12,220		(9,258,281)		(378,441)	
30. Dividends to policyholders .....												
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30) .....	(9,622,744)		(1,745)	3,502			12,220		(9,258,281)		(378,441)	
32. Federal income taxes incurred (excluding tax on capital gains) .....	(130,301)		(24)	47			165		(125,365)		(5,124)	
33. Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32) .....	(9,492,443)		(1,721)	3,455			12,055		(9,132,916)		(373,317)	
DETAILS OF WRITE-INS												
08.301. Interchange fee income .....	736,837								663,155		73,682	
08.302. ....												
08.303. ....												
08.398. Summary of remaining write-ins for Line 8.3 from overflow page .....												
08.399. Totals (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above) .....	736,837								663,155		73,682	
2701. Fines & Penalties .....	48,483		1,565				66		42,553		4,299	
2702. ....												
2703. ....												
2798. Summary of remaining write-ins for Line 27 from overflow page .....												
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above) .....	48,483		1,565				66		42,553		4,299	

(a) Includes the following amounts for FEGLI/SGLI: Line 1 , Line 10 , Line 16 , Line 23 , Line 24

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE STARMOUNT LIFE INSURANCE COMPANY

ANALYSIS OF INCREASE IN RESERVES DURING THE YEAR

	1	2	Ordinary			6	Group	
			3	4	5		7	8
	Total	Industrial Life	Life Insurance	Individual Annuities	Supplementary Contracts	Credit Life (Group and Individual)	Life Insurance	Annuities
Involving Life or Disability Contingencies (Reserves)								
(Net of Reinsurance Ceded)								
1. Reserve December 31, prior year .....	22,501,019		22,340,279	63,478			97,262	
2. Tabular net premiums or considerations .....	7,218,056		7,015,561				202,495	
3. Present value of disability claims incurred .....					XXX			
4. Tabular interest .....	1,012,698		1,004,812	2,566			5,320	
5. Tabular less actual reserve released .....								
6. Increase in reserve on account of change in valuation basis .....								
6.1 Change in excess of VM-20 deterministic/stochastic reserve over net premium reserve .....		XXX		XXX	XXX	XXX	XXX	XXX
7. Other increases (net) .....	500,000		500,000					
8. Totals (Lines 1 to 7) .....	31,231,773		30,860,652	66,044			305,077	
9. Tabular cost .....	4,035,073		3,924,744		XXX		110,329	
10. Reserves released by death .....	390,851		390,797	XXX	XXX		54	XXX
11. Reserves released by other terminations (net) .....	3,185,967		3,092,956				93,011	
12. Annuity, supplementary contract and disability payments involving life contingencies .....								
13. Net transfers to or (from) Separate Accounts .....								
14. Total Deductions (Lines 9 to 13) .....	7,611,891		7,408,497				203,394	
15. Reserve December 31, current year .....	23,619,882		23,452,155	66,044			101,683	

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE STARMOUNT LIFE INSURANCE COMPANY

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds .....	(a) .....3,386	.....2,336
1.1	Bonds exempt from U.S. tax .....	(a) .....	.....
1.2	Other bonds (unaffiliated) .....	(a) .....1,559,439	.....1,614,916
1.3	Bonds of affiliates .....	(a) .....	.....
2.1	Preferred stocks (unaffiliated) .....	(b) .....	.....
2.11	Preferred stocks of affiliates .....	(b) .....	.....
2.2	Common stocks (unaffiliated) .....	.....553	.....553
2.21	Common stocks of affiliates .....	.....	.....
3.	Mortgage loans .....	(c) .....	.....
4.	Real estate .....	(d) .....420,500	.....420,500
5	Contract loans .....	.....56,323	.....54,729
6	Cash, cash equivalents and short-term investments .....	(e) .....24,595	.....24,595
7	Derivative instruments .....	(f) .....	.....
8.	Other invested assets .....	.....	.....
9.	Aggregate write-ins for investment income .....	.....	.....
10.	Total gross investment income .....	2,064,796	2,117,629
11.	Investment expenses .....		(g) .....186,892
12.	Investment taxes, licenses and fees, excluding federal income taxes .....		(g) .....87,852
13.	Interest expense .....		(h) .....
14.	Depreciation on real estate and other invested assets .....		(i) .....123,829
15.	Aggregate write-ins for deductions from investment income .....		.....398,573
16.	Total deductions (Lines 11 through 15) .....		.....1,719,056
17.	Net investment income (Line 10 minus Line 16)		
DETAILS OF WRITE-INS			
0901.	.....		
0902.	.....		
0903.	.....		
0998.	Summary of remaining write-ins for Line 9 from overflow page .....		
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)		
1501.	.....		
1502.	.....		
1503.	.....		
1598.	Summary of remaining write-ins for Line 15 from overflow page .....		
1599.	Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above)		

- (a) Includes \$ .....30,545 accrual of discount less \$ .....256,904 amortization of premium and less \$ .....16,286 paid for accrued interest on purchases.
- (b) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued dividends on purchases.
- (c) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued interest on purchases.
- (d) Includes \$ .....420,500 for company's occupancy of its own buildings; and excludes \$ ..... interest on encumbrances.
- (e) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued interest on purchases.
- (f) Includes \$ ..... accrual of discount less \$ ..... amortization of premium.
- (g) Includes \$ ..... investment expenses and \$ ..... investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ ..... interest on surplus notes and \$ ..... interest on capital notes.
- (i) Includes \$ .....123,829 depreciation on real estate and \$ ..... depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds .....					
1.1	Bonds exempt from U.S. tax .....					
1.2	Other bonds (unaffiliated) .....	.....(26,487)		.....(26,487)		
1.3	Bonds of affiliates .....					
2.1	Preferred stocks (unaffiliated) .....					
2.11	Preferred stocks of affiliates .....					
2.2	Common stocks (unaffiliated) .....					
2.21	Common stocks of affiliates .....					
3.	Mortgage loans .....					
4.	Real estate .....					
5.	Contract loans .....					
6.	Cash, cash equivalents and short-term investments .....					
7.	Derivative instruments .....					
8.	Other invested assets .....					
9.	Aggregate write-ins for capital gains (losses) .....					
10.	Total capital gains (losses) .....	.....(26,487)		.....(26,487)		
DETAILS OF WRITE-INS						
0901.	.....					
0902.	.....					
0903.	.....					
0998.	Summary of remaining write-ins for Line 9 from overflow page .....					
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)					

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE STARMOUNT LIFE INSURANCE COMPANY

**EXHIBIT - 1 PART 1 - PREMIUMS AND ANNUITY CONSIDERATIONS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS**

	1	2	Ordinary		5	Group		Accident and Health			11
			3	4		6	7	8	9	10	
	Total	Industrial Life	Life Insurance	Individual Annuities	Credit Life (Group and Individual)	Life Insurance	Annuities	Group	Credit (Group and Individual)	Other	Aggregate of All Other Lines of Business
<b>FIRST YEAR (other than single)</b>											
1. Uncollected .....	1,217		1,217								
2. Deferred and accrued .....	43,522		43,522								
3. Deferred , accrued and uncollected:											
3.1 Direct .....											
3.2 Reinsurance assumed .....	44,739		44,739								
3.3 Reinsurance ceded .....											
3.4 Net (Line 1 + Line 2) .....	44,739		44,739								
4. Advance .....											
5. Line 3.4 - Line 4 .....	44,739		44,739								
6. Collected during year:											
6.1 Direct .....	99,367		99,367								
6.2 Reinsurance assumed .....											
6.3 Reinsurance ceded .....											
6.4 Net .....	99,367		99,367								
7. Line 5 + Line 6.4 .....	144,106		144,106								
8. Prior year (uncollected + deferred and accrued - advance) ..	75,380		75,380								
9. First year premiums and considerations:											
9.1 Direct .....	68,726		68,726								
9.2 Reinsurance assumed .....											
9.3 Reinsurance ceded .....											
9.4 Net (Line 7 - Line 8) .....	68,726		68,726								
<b>SINGLE</b>											
10. Single premiums and considerations:											
10.1 Direct .....											
10.2 Reinsurance assumed .....											
10.3 Reinsurance ceded .....											
10.4 Net .....											
<b>RENEWAL</b>											
11. Uncollected .....	7,984,748		25,929			2,718		8,365,892		(409,790)	
12. Deferred and accrued .....	2,615,121		2,615,121								
13. Deferred, accrued and uncollected:											
13.1 Direct .....	11,007,215		2,659,906					8,346,670		639	
13.2 Reinsurance assumed .....	22,334					2,718		19,222		395	
13.3 Reinsurance ceded .....	429,680		18,856							410,824	
13.4 Net (Line 11 + Line 12) .....	10,599,869		2,641,050			2,718		8,365,892		(409,790)	
14. Advance .....	3,290,519		58,273					3,226,801		5,445	
15. Line 13.4 - Line 14 .....	7,309,351		2,582,777			2,718		5,139,091		(415,235)	
16. Collected during year:											
16.1 Direct .....	215,742,307		7,343,686			75,486		184,792,680		23,530,454	
16.2 Reinsurance assumed .....	3,892,798					287,123		3,600,177		5,498	
16.3 Reinsurance ceded .....	5,482,322		481,550							5,000,772	
16.4 Net .....	214,152,784		6,862,136			362,609		188,392,858		18,535,180	
17. Line 15 + Line 16.4 .....	221,462,134		9,444,914			365,327		193,531,949		18,119,945	
18. Prior year (uncollected + deferred and accrued - advance) ..	11,635,776		2,737,495			78,159		9,311,573		(491,451)	
19. Renewal premiums and considerations:											
19.1 Direct .....	214,078,750		7,186,709			75,486		183,286,822		23,529,733	
19.2 Reinsurance assumed .....	1,150,698					211,682		933,553		5,463	
19.3 Reinsurance ceded .....	5,403,091		479,291							4,923,800	
19.4 Net (Line 17 - Line 18) .....	209,826,357		6,707,418			287,168		184,220,375		18,611,396	
<b>TOTAL</b>											
20. Total premiums and annuity considerations:											
20.1 Direct .....	214,147,476		7,255,435			75,486		183,286,822		23,529,733	
20.2 Reinsurance assumed .....	1,150,698					211,682		933,553		5,463	
20.3 Reinsurance ceded .....	5,403,091		479,291							4,923,800	
20.4 Net (Lines 9.4 + 10.4 + 19.4) .....	209,895,083		6,776,144			287,168		184,220,375		18,611,396	



EXHIBIT - 1 PART 2 - DIVIDENDS AND COUPONS APPLIED, REINSURANCE COMMISSIONS  
AND EXPENSE ALLOWANCES AND COMMISSIONS INCURRED (Direct Business Only)

	1	2	Ordinary		5	Group		Accident and Health			11
			3	4		6	7	8	9	10	
	Total	Industrial Life	Life Insurance	Individual Annuities	Credit Life (Group and Individual)	Life Insurance	Annuities	Group	Credit (Group and Individual)	Other	Aggregate of All Other Lines of Business
<b>DIVIDENDS AND COUPONS APPLIED</b> <b>(included in Part 1)</b>											
21. To pay renewal premiums .....											
22. All other .....											
<b>REINSURANCE COMMISSIONS AND</b> <b>EXPENSE ALLOWANCES INCURRED</b>											
23. First year (other than single):											
23.1 Reinsurance ceded .....											
23.2 Reinsurance assumed .....											
23.3 Net ceded less assumed .....											
24. Single:											
24.1 Reinsurance ceded .....											
24.2 Reinsurance assumed .....											
24.3 Net ceded less assumed .....											
25. Renewal:											
25.1 Reinsurance ceded .....	1,829,712									1,829,712	
25.2 Reinsurance assumed .....	399,264					87,527		310,399		1,339	
25.3 Net ceded less assumed .....	1,430,448					(87,527)		(310,399)		1,828,373	
26. Totals:											
26.1 Reinsurance ceded (Page 6, Line 6) .....	1,829,712									1,829,712	
26.2 Reinsurance assumed (Page 6, Line 22) .....	399,264					87,527		310,399		1,339	
26.3 Net ceded less assumed .....	1,430,448					(87,527)		(310,399)		1,828,373	
<b>COMMISSIONS INCURRED</b> <b>(direct business only)</b>											
27. First year (other than single) .....											
28. Single .....											
29. Renewal .....	21,374,543		28,571					17,325,366		4,020,606	
30. Deposit-type contract funds .....											
31. Totals (to agree with Page 6, Line 21)	21,374,543		28,571					17,325,366		4,020,606	

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE STARMOUNT LIFE INSURANCE COMPANY

EXHIBIT 2 - GENERAL EXPENSES

	Insurance				5	6
	1	Accident and Health		4 All Other Lines of Business		
		2	3			
	Life	Cost Containment	All Other		Investment	Total
1. Rent .....	72,769		2,089,653			2,162,422
2. Salaries and wages .....	770,461		21,856,298			22,626,759
3.11 Contributions for benefit plans for employees .....	146,171		4,197,474			4,343,645
3.12 Contributions for benefit plans for agents .....						
3.21 Payments to employees under non-funded benefit plans .....						
3.22 Payments to agents under non-funded benefit plans .....						
3.31 Other employee welfare .....	4,666		133,982			138,648
3.32 Other agent welfare .....						
4.1 Legal fees and expenses .....	2,226		63,932			66,158
4.2 Medical examination fees .....	8,151		69,480			77,631
4.3 Inspection report fees .....	3,101		3,130			6,230
4.4 Fees of public accountants and consulting actuaries .....	75,889		2,179,250			2,255,139
4.5 Expense of investigation and settlement of policy claims .....	14,712	392,963	390,135			797,810
5.1 Traveling expenses .....	28,025		804,787			832,812
5.2 Advertising .....	5,932		170,350			176,282
5.3 Postage, express, telegraph and telephone .....	50,577		1,489,397			1,539,975
5.4 Printing and stationery .....	9,927		285,054			294,981
5.5 Cost or depreciation of furniture and equipment .....	10,753		308,786			319,539
5.6 Rental of equipment .....	34,779		998,734			1,033,513
5.7 Cost or depreciation of EDP equipment and software .....	88,320		2,556,218			2,644,538
6.1 Books and periodicals .....	12,789		180,585			193,374
6.2 Bureau and association fees .....	4,480		130,284			134,764
6.3 Insurance, except on real estate .....	4,655		133,672			138,327
6.4 Miscellaneous losses .....	3,977		114,201			118,178
6.5 Collection and bank service charges .....	23,596		677,613			701,209
6.6 Sundry general expenses .....	18,033		517,843			535,876
6.7 Group service and administration fees .....	18,338	2,600,073	300			2,618,711
6.8 Reimbursements by uninsured plans .....						
7.1 Agency expense allowance .....						
7.2 Agents' balances charged off (less \$ recovered) .....	317		9,102			9,419
7.3 Agency conferences other than local meetings .....						
9.1 Real estate expenses .....					186,892	186,892
9.2 Investment expenses not included elsewhere .....						
9.3 Aggregate write-ins for expenses .....	66,332		1,904,796			1,971,128
10. General expenses incurred .....	1,478,976	2,993,036	41,265,055		186,892	(a) 45,923,960
11. General expenses unpaid December 31, prior year .....	3,817	26,329	134,469			164,615
12. General expenses unpaid December 31, current year .....	12,327	33,324	353,446			399,096
13. Amounts receivable relating to uninsured plans, prior year .....						
14. Amounts receivable relating to uninsured plans, current year .....						
15. General expenses paid during year (Lines 10+11-12-13+14) .....	1,470,466	2,986,041	41,046,079		186,892	45,689,478
<b>DETAILS OF WRITE-INS</b>						
09.301. Repairs & Maintenance .....	37,781		1,084,916			1,122,697
09.302. Fees for Outsourcing services .....	28,551		819,880			848,431
09.303. ....						
09.398. Summary of remaining write-ins for Line 9.3 from overflow page .....						
09.399. Totals (Lines 09.301 thru 09.303 plus 09.398) (Line 9.3 above) .....	66,332		1,904,796			1,971,128

(a) Includes management fees of \$ ..... to affiliates and \$ ..... to non-affiliates.

EXHIBIT 3 - TAXES, LICENSES AND FEES (EXCLUDING FEDERAL INCOME TAXES)

	Insurance			4	5
	1 Life	2 Accident and Health	3 All Other Lines of Business		
1. Real estate taxes .....				87,852	87,852
2. State insurance department licenses and fees .....	13,399	379,787			393,186
3. State taxes on premiums .....	217,895	5,924,779			6,142,673
4. Other state taxes, including \$ for employee benefits .....	107,150	2,757,311			2,864,461
5. U.S. Social Security taxes .....	65,206	1,517,717			1,582,923
6. All other taxes .....	2,354	61,213			63,567
7. Taxes, licenses and fees incurred .....	406,004	10,640,807		87,852	11,134,663
8. Taxes, licenses and fees unpaid December 31, prior year .....	72,425	1,273,049			1,345,474
9. Taxes, licenses and fees unpaid December 31, current year .....	115,774	3,148,010			3,263,784
10. Taxes, licenses and fees paid during year (Lines 7 + 8 - 9) .....	362,655	8,765,846		87,852	9,216,354

EXHIBIT 4 - DIVIDENDS OR REFUNDS

	1	2
	Life	Accident and Health
1. Applied to pay renewal premiums .....		
2. Applied to shorten the endowment or premium-paying period .....		
3. Applied to provide paid-up additions .....		
4. Applied to provide paid-up annuities .....		
5. Total Lines 1 through 4 .....		
6. Paid in cash .....		
7. Left on deposit .....		
8. Aggregate write-ins for dividend or refund options .....		
9. Total Lines 5 through 8 .....		
10. Amount due and unpaid .....		
11. Provision for dividends or refunds payable in the following calendar year .....		
12. Terminal dividends .....		
13. Provision for deferred dividend contracts .....		
14. Amount provisionally held for deferred dividend contracts not included in Line 13 .....		
15. Total Lines 10 through 14 .....		
16. Total from prior year .....		
17. Total dividends or refunds (Lines 9 + 15 - 16) .....		
DETAILS OF WRITE-INS		
0801. ....		
0802. ....		
0803. ....		
0898. Summary of remaining write-ins for Line 8 from overflow page .....		
0899. Totals (Lines 0801 thru 0803 plus 0898) (Line 8 above) .....		

EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1	2	3	4	5	6
Valuation Standard	Total	Industrial	Ordinary	Credit (Group and Individual)	Group
0100001. 1980 CSO ALB 4.00% IPC CRVM .....	3,875,931		3,875,931		
0100002. 1980 CSO ALB 4.50% IPC CRVM .....	4,627,252		4,627,252		
0100003. 1980 CSO ALB 5.00% IPC CRVM .....	53,252		53,252		
0100004. 1980 CSO ALB 5.50% IPC CRVM .....	20,210		20,210		
0100005. 1980 CSO ALB 6.00% IPC CRVM .....	2,194		2,194		
0100006. 2001 CSO ALB 3.50% IPC CRVM .....	1,779,366		1,779,366		
0100007. 2001 CSO ALB 4.00% IPC CRVM .....	10,746,405		10,746,405		
0100008. 2001 CSO ALB 4.50% IPC CRVM .....	949,217		949,217		
0100009. 1980 CET ALB 4.00% IPC CRVM .....	11,942		11,942		
0100010. 1980 CET ALB 4.50% IPC CRVM .....	1,433		1,433		
0100011. 1980 CET ALB 5.50% IPC CRVM .....	37,113		37,113		
0100012. 1980 CET ALB 6.00% IPC CRVM .....	2,610		2,610		
0100013. 1980 CSO ALB 5.50% IPC NLP .....	99		99		
0100014. 1980 CSO ALB 6.00% IPC NLP .....	71		71		
0100015. SUBSTANDARD .....	160,417		160,417		
0100016. HALF GROSS PREMIUM-NURSING HOME RIDER .....	4,678		4,678		
0199997. Totals (Gross)	22,272,190		22,272,190		
0199998. Reinsurance ceded	750,713		750,713		
0199999. Life Insurance: Totals (Net)	21,521,477		21,521,477		
0200001. 1983A 5.00% CARVM .....	30,912	XXX	30,912	XXX	
0200002. 1983A 5.25% CARVM .....	20,680	XXX	20,680	XXX	
0200003. 1983A 5.50% CARVM .....	14,452	XXX	14,452	XXX	
0299997. Totals (Gross)	66,044	XXX	66,044	XXX	
0299998. Reinsurance ceded		XXX		XXX	
0299999. Annuities: Totals (Net)	66,044	XXX	66,044	XXX	
0399998. Reinsurance ceded					
0399999. SCWLC: Totals (Net)					
0400001. 1959 ADB W/ 1980 CSO ALB 4.0% IPC FPT .....	39,795		39,795		
0400002. 1959 ADB W/ 1980 CSO ALB 4.5% IPC FPT .....	124,709		124,709		
0400003. 1959 ADB W/ 1980 CSO ALB 5.0% IPC FPT .....	8,435		8,435		
0400004. 1959 ADB W/ 1980 CSO ALB 5.5% IPC FPT .....	3,338		3,338		
0400005. 1959 ADB W/ 2001 CSO ALB 3.5% IPC FPT .....	41,033		41,033		
0400006. 1959 ADB W/ 2001 CSO ALB 4.0% IPC FPT .....	97,118		97,118		
0499997. Totals (Gross)	314,428		314,428		
0499998. Reinsurance ceded					
0499999. Accidental Death Benefits: Totals (Net)	314,428		314,428		
0500001. 2005 GTLW 4.0% .....	21,949				21,949
0599997. Totals (Gross)	21,949				21,949
0599998. Reinsurance ceded					
0599999. Disability-Active Lives: Totals (Net)	21,949				21,949
0699998. Reinsurance ceded					
0699999. Disability-Disabled Lives: Totals (Net)					
0700001. UNEARNED PREMIUM-CHILD RIDER .....	20		20		
0700002. UNEARNED PREMIUM-LONG TERM CARE BENEFITS .....	1,053		1,053		
0700003. UNEARNED PREMIUM-GROUP LIFE .....	84,995				84,995
0700004. DEFICIENCY RESERVES .....	168,962		168,962		
0700005. NON-DEDUCTION RESERVES .....	1,062,462		1,062,462		
0700006. ADDITIONAL ACTUARIAL RESERVE- ASSET ADEQUACY ANALYSIS .....	500,000		500,000		
0799997. Totals (Gross)	1,817,492		1,732,497		84,995
0799998. Reinsurance ceded	121,508		116,247		5,261
0799999. Miscellaneous Reserves: Totals (Net)	1,695,984		1,616,250		79,734
9999999. Totals (Net) - Page 3, Line 1	23,619,882		23,518,199		101,683

EXHIBIT 5 - INTERROGATORIES

1.1

Has the reporting entity ever issued both participating and non-participating contracts?

Yes [ ] No [ X ]

1.2

If not, state which kind is issued.

2.1

Does the reporting entity at present issue both participating and non-participating contracts?

Yes [ ] No [ X ]

2.2

If not, state which kind is issued.

3.

Does the reporting entity at present issue or have in force contracts that contain non-guaranteed elements?

Yes [ X ] No [ ]

If so, attach a statement that contains the determination procedures, answers to the interrogatories and an actuarial opinion as described in the instructions.

4.

Has the reporting entity any assessment or stipulated premium contracts in force?

Yes [ ] No [ X ]

If so, state:

4.1

Amount of insurance?

\$

4.2

Amount of reserve?

\$

4.3

Basis of reserve:

4.4

Basis of regular assessments:

4.5

Basis of special assessments:

4.6

Assessments collected during the year

\$

5.

If the contract loan interest rate guaranteed in any one or more of its currently issued contracts is less than 5%, not in advance, state the contract loan rate guarantees on any such contracts.

6.

Does the reporting entity hold reserves for any annuity contracts that are less than the reserves that would be held on a standard basis?

Yes [ ] No [ X ]

6.1

If so, state the amount of reserve on such contracts on the basis actually held:

\$

6.2

That would have been held (on an exact or approximate basis) using the actual ages of the annuitants; the interest rate(s) used in 6.1; and the same mortality basis used by the reporting entity for the valuation of comparable annuity benefits issued to standard lives. If the reporting entity has no comparable annuity benefits for standard lives to be valued, the mortality basis shall be the table most recently approved by the state of domicile for valuing individual annuity benefits:

\$

Attach statement of methods employed in their valuation.

7.

Does the reporting entity have any Synthetic GIC contracts or agreements in effect as of December 31 of the current year?

Yes [ ] No [ X ]

7.1

If yes, state the total dollar amount of assets covered by these contracts or agreements

\$

7.2

Specify the basis (fair value, amortized cost, etc.) for determining the amount:

7.3

State the amount of reserves established for this business:

\$

7.4

Identify where the reserves are reported in the blank:

8.

Does the reporting entity have any Contingent Deferred Annuity contracts or agreements in effect as of December 31 of the current year?

Yes [ ] No [ X ]

8.1

If yes, state the total dollar amount of account value covered by these contracts or agreements:

\$

8.2

State the amount of reserves established for this business:

\$

8.3

Identify where the reserves are reported in the blank:

9.

Does the reporting entity have any Guaranteed Lifetime Income Benefit contracts, agreements or riders in effect as of December 31 of the current year?

Yes [ ] No [ X ]

9.1

If yes, state the total dollar amount of any account value associated with these contracts, agreements or riders:

\$

9.2

State the amount of reserves established for this business:

\$

9.3

Identify where the reserves are reported in the blank:

EXHIBIT 5A - CHANGES IN BASES OF VALUATION DURING THE YEAR

1	Valuation Basis		4
	2	3	
Description of Valuation Class	Changed From	Changed To	Increase in Actuarial Reserve Due to Change
	NONE		
9999999 - Total (Column 4, only)			

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE STARMOUNT LIFE INSURANCE COMPANY

**EXHIBIT 6 - AGGREGATE RESERVES FOR ACCIDENT AND HEALTH CONTRACTS**

	1  Total	2  Group Accident and Health	3  Credit Accident and Health (Group and Individual)	4  Collectively Renewable	Other Individual Contracts				
					5  Non-Cancelable	6  Guaranteed Renewable	7  Non-Renewable for Stated Reasons Only	8  Other Accident Only	9  All Other
ACTIVE LIFE RESERVE									
1. Unearned premium reserves .....	40,243					40,243			
2. Additional contract reserves (a) .....	218,046					218,046			
3. Additional actuarial reserves-Asset/Liability analysis .....									
4. Reserve for future contingent benefits .....									
5. Reserve for rate credits .....									
6. Aggregate write-ins for reserves .....									
7. Totals (Gross) .....	258,289					258,289			
8. Reinsurance ceded .....									
9. Totals (Net) .....	258,289					258,289			
CLAIM RESERVE									
10. Present value of amounts not yet due on claims .....									
11. Additional actuarial reserves-Asset/Liability analysis .....									
12. Reserve for future contingent benefits .....									
13. Aggregate write-ins for reserves .....									
14. Totals (Gross) .....									
15. Reinsurance ceded .....									
16. Totals (Net) .....									
17. TOTAL (Net) .....	258,289					258,289			
18. TABULAR FUND INTEREST									
DETAILS OF WRITE-INS									
0601. ....									
0602. ....									
0603. ....									
0698. Summary of remaining write-ins for Line 6 from overflow page .....									
0699. TOTALS (Lines 0601 thru 0603 plus 0698) (Line 6 above) .....									
1301. ....									
1302. ....									
1303. ....									
1398. Summary of remaining write-ins for Line 13 from overflow page .....									
1399. TOTALS (Lines 1301 thru 1303 plus 1398) (Line 13 above) .....									

(a) Attach statement as to valuation standard used in calculating this reserve, specifying reserve bases, interest rates and methods.



EXHIBIT 7 - DEPOSIT TYPE CONTRACTS

	1	2	3	4	5	6
	Total	Guaranteed Interest Contracts	Annuities Certain	Supplemental Contracts	Dividend Accumulations or Refunds	Premium and Other Deposit Funds
1. Balance at the beginning of the year before reinsurance .....						
2. Deposits received during the year .....						
3. Investment earnings credited to the account .....						
4. Other net change in reserves .....						
5. Fees and other charges assessed .....						
6. Surrender charges .....						
7. Net surrender or withdrawal payments .....						
8. Other net transfers to or (from) Separate Accounts .....						
9. Balance at the end of current year before reinsurance (Lines 1+2+3+4-5-6-7-8) .....						
10. Reinsurance balance at the beginning of the year .....						
11. Net change in reinsurance assumed .....						
12. Net change in reinsurance ceded .....						
13. Reinsurance balance at the end of the year (Lines 10+11-12) .....						
14. Net balance at the end of current year after reinsurance (Lines 9 + 13)						

NONE

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE STARMOUNT LIFE INSURANCE COMPANY

**EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS**

PART 1 - Liability End of Current Year											
	1	2	Ordinary			6	Group		Accident and Health		
			3	4	5		7	8	9	10	11
	Total	Industrial Life	Life Insurance	Individual Annuities	Supplementary Contracts	Credit Life (Group and Individual)	Life Insurance	Annuities	Group	Credit (Group and Individual)	Other
1. Due and unpaid:											
1.1 Direct .....	131,654								131,654		
1.2 Reinsurance assumed .....	18,593								18,593		
1.3 Reinsurance ceded .....											
1.4 Net .....	150,247								150,247		
2. In course of settlement:											
2.1 Resisted .....											
2.11 Direct .....											
2.12 Reinsurance assumed .....											
2.13 Reinsurance ceded .....											
2.14 Net .....			(b)	(b)		(b)	(b)				
2.2 Other .....											
2.21 Direct .....	857,842		504,500				11,667				341,675
2.22 Reinsurance assumed .....											
2.23 Reinsurance ceded .....	317,508		10,000								307,508
2.24 Net .....	540,334		(b) 494,500	(b)		(b)	(b) 11,667		(b)	(b)	(b) 34,168
3. Incurred but unreported:											
3.1 Direct .....	14,569,667		136,594						13,365,650		1,067,423
3.2 Reinsurance assumed .....	116,152						20,785		95,271		96
3.3 Reinsurance ceded .....	177,495										177,495
3.4 Net .....	14,508,325		(b) 136,594	(b)		(b)	(b) 20,785		(b) 13,460,921	(b)	(b) 890,025
4. TOTALS .....											
4.1 Direct .....	15,559,163		641,094				11,667		13,497,304		1,409,098
4.2 Reinsurance assumed .....	134,745						20,785		113,864		96
4.3 Reinsurance ceded .....	495,002		10,000								485,002
4.4 Net .....	15,198,906	(a)	(a) 631,094				(a) 32,452		13,611,168		924,192

(a) Including matured endowments (but not guaranteed annual pure endowments) unpaid amounting to \$ \_\_\_\_\_ in Column 2, \$ \_\_\_\_\_ in Column 3 and \$ \_\_\_\_\_ in Column 7.

(b) Include only portion of disability and accident and health claim liabilities applicable to assumed "accrued" benefits. Reserves (including reinsurance assumed and net of reinsurance ceded) for unaccrued benefits for Ordinary Life Insurance \$ \_\_\_\_\_

Individual Annuities \$ \_\_\_\_\_, Credit Life (Group and Individual) \$ \_\_\_\_\_, and Group Life \$ \_\_\_\_\_, are included in Page 3, Line 1, (See Exhibit 5, Section on Disability Disabled Lives); and for Group Accident and Health \$ \_\_\_\_\_

Credit (Group and Individual) Accident and Health \$ \_\_\_\_\_, and Other Accident and Health \$ \_\_\_\_\_ are included in Page 3, Line 2 (See Exhibit 6, Claim Reserve).

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE STARMOUNT LIFE INSURANCE COMPANY

**EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS**

**PART 2 - Incurred During the Year**

	1  Total	2  Industrial Life (a)	Ordinary			6  Credit Life (Group and Individual)	Group		Accident and Health		
			3  Life Insurance (b)	4  Individual Annuities	5  Supplementary Contracts		7  Life Insurance (c)	8  Annuities	9  Group	10  Credit (Group and Individual)	11  Other
1. Settlements During the Year:											
1.1 Direct .....	141,260,852		5,902,736				96,333		120,568,795		14,692,988
1.2 Reinsurance assumed .....	3,764,428						143,902		3,619,588		939
1.3 Reinsurance ceded .....	3,519,925		831,400								2,688,525
1.4 Net .....	(d) 141,505,355		5,071,335				240,235		124,188,382		12,005,402
2. Liability December 31, current year from Part 1:											
2.1 Direct .....	15,559,163		641,094				11,667		13,497,304		1,409,098
2.2 Reinsurance assumed .....	134,745						20,785		113,864		96
2.3 Reinsurance ceded .....	495,002		10,000								485,002
2.4 Net .....	15,198,906		631,094				32,452		13,611,168		924,192
3. Amounts recoverable from reinsurers December 31, current year .....	514,847		140,000								374,847
4. Liability December 31, prior year:											
4.1 Direct .....	10,023,371		968,062				18,000		7,596,592		1,440,717
4.2 Reinsurance assumed .....	3,267,747						147,798		3,119,496		453
4.3 Reinsurance ceded .....	371,735		100,800								270,935
4.4 Net .....	12,919,383		867,262				165,798		10,716,088		1,170,235
5. Amounts recoverable from reinsurers December 31, prior year .....	451,342		80,800								370,542
6. Incurred Benefits											
6.1 Direct .....	146,796,644		5,575,768				90,000		126,469,507		14,661,369
6.2 Reinsurance assumed .....	631,426						16,889		613,955		582
6.3 Reinsurance ceded .....	3,706,698		799,800								2,906,898
6.4 Net .....	143,721,372		4,775,967				106,889		127,083,462		11,755,054

(a) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$ ..... in Line 1.1, \$ ..... in Line 1.4.  
\$ ..... in Line 6.1, and \$ ..... in Line 6.4.

(b) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$ ..... in Line 1.1, \$ ..... in Line 1.4.  
\$ ..... in Line 6.1, and \$ ..... in Line 6.4.

(c) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$ ..... in Line 1.1, \$ ..... in Line 1.4.  
\$ ..... in Line 6.1, and \$ ..... in Line 6.4.

(d) Includes \$ ..... premiums waived under total and permanent disability benefits.

EXHIBIT OF NON-ADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D) .....			
2. Stocks (Schedule D):			
2.1 Preferred stocks .....			
2.2 Common stocks .....			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens .....			
3.2 Other than first liens.....			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company .....			
4.2 Properties held for the production of income.....			
4.3 Properties held for sale .....			
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA) .....			
6. Contract loans .....			
7. Derivatives (Schedule DB) .....			
8. Other invested assets (Schedule BA) .....			
9. Receivables for securities .....			
10. Securities lending reinvested collateral assets (Schedule DL) .....			
11. Aggregate write-ins for invested assets .....			
12. Subtotals, cash and invested assets (Lines 1 to 11) .....			
13. Title plants (for Title insurers only) .....			
14. Investment income due and accrued .....			
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection .....			
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due ..			
15.3 Accrued retrospective premiums and contracts subject to redetermination .....			
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers .....			
16.2 Funds held by or deposited with reinsured companies .....			
16.3 Other amounts receivable under reinsurance contracts .....			
17. Amounts receivable relating to uninsured plans .....			
18.1 Current federal and foreign income tax recoverable and interest thereon .....			
18.2 Net deferred tax asset .....	0	1,357,467	1,357,467
19. Guaranty funds receivable or on deposit .....			
20. Electronic data processing equipment and software .....	657,683	221,610	(436,073)
21. Furniture and equipment, including health care delivery assets .....	291,851	189,816	(102,035)
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			
23. Receivables from parent, subsidiaries and affiliates .....			
24. Health care and other amounts receivable .....			
25. Aggregate write-ins for other than invested assets .....			
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	949,534	1,768,893	819,359
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			
28. Total (Lines 26 and 27) .....	949,534	1,768,893	819,359
DETAILS OF WRITE-INS			
1101. ....			
1102. ....			
1103. ....			
1198. Summary of remaining write-ins for Line 11 from overflow page .....			
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)			
2501. ....			
2502. ....			
2503. ....			
2598. Summary of remaining write-ins for Line 25 from overflow page .....			
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)			

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

The financial statements of Starmount Life Insurance Company (the Company) have been completed in accordance with Statutory Accounting Principles (SAP) prescribed in the National Association of Insurance Commissioners’ (NAIC) *Accounting Practices and Procedures* manual. Effective December 20, 2018, the Company was re-domiciled to the State of Maine. Prior to that date, the Company was domiciled in the State of Louisiana. The Maine Bureau of Insurance (the Bureau) has adopted no accounting practices that differ materially from SAP.

	SSAP #	F/S Page	F/S Line #	12/31/2018	12/31/2017
NET INCOME					
(1) The Company's state basis (Page 4, Line 35, Columns 1 & 2)	XXX	XXX	XXX	\$ (9,498,004)	\$ (2,766,123)
(2) State Prescribed Practices that are an increase/(decrease) from NAIC SAP				—	—
(3) State Permitted Practices that are an increase/(decrease) from NAIC SAP				—	—
(4) NAIC SAP (1-2-3=4)	XXX	XXX	XXX	<u>\$ (9,498,004)</u>	<u>\$ (2,766,123)</u>
SURPLUS					
(5) The Company's state basis (Page 3, Line 38, Columns 1 & 2)	XXX	XXX	XXX	\$ 45,329,752	\$ 37,449,357
(6) State Prescribed Practices that are an increase/(decrease) from NAIC SAP				—	—
(7) State Permitted Practices that are an increase/(decrease) from NAIC SAP				—	—
(8) NAIC SAP (5-6-7=8)	XXX	XXX	XXX	<u>\$ 45,329,752</u>	<u>\$ 37,449,357</u>

B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements in conformity with SAP requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Such estimates and assumptions could change in the future as more information becomes known, which could impact the amounts reported and disclosed herein.

C. Accounting Policy

Life and accident and health premiums are recognized as revenue when due from policyholders. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred.

Real estate is carried at cost less accumulated depreciation and less encumbrances.

Contract loans are stated at the aggregate unpaid balance.

In addition, the Company uses the following accounting policies:

- (1) Short-term investments and cash equivalents are carried at cost.
- (2) Long-term bonds classified as issuer obligations are generally carried at amortized cost unless they have a NAIC designation of 6, in which case they are stated at the lower of amortized cost or fair value. Issuer obligations are amortized using the interest method.
- (3) Common stock of the Federal Home Loan Bank (FHLB) is carried at cost, which approximates fair value.
- (4) Not applicable



## NOTES TO FINANCIAL STATEMENTS

- (5) Not applicable
- (6) Loan-backed and structured securities are stated at either amortized cost or the lower of amortized cost or fair value. Amortization of mortgage-backed and loan-backed securities considers the estimated timing and amount of prepayments of the underlying loans at the date of purchase. Actual prepayment experience is periodically reviewed with significant changes in estimated cash flows from the original purchase assumptions accounted for using the retrospective method.
- (7) Not applicable
- (8) Not applicable
- (9) Derivatives that qualify for hedge accounting and are effective hedges are generally carried at amortized cost. Derivatives that do not qualify for hedge accounting or cease to be effective hedges are carried at fair value.
- (10) The Company considers anticipated investment income in its review of reserves for potential premium deficiencies.
- (11) Liabilities for losses and loss/claim adjustment expenses for accident and health contracts are estimated using statistical claim development models and tabular reserves employing assumptions concerning mortality, morbidity, and social security as well as appropriate discount rates for accident and health business.
- (12) The Company's fixed asset capitalization policy has not changed from the prior period.
- (13) Not applicable

### D. Going Concern

After evaluating the Company's ability to continue as a going concern, management was not aware of any conditions or events which raised substantial doubts concerning the entity's ability to continue as a going concern as of the date these financial statements were issued.

### 2. Accounting Changes and Corrections of Errors

Not applicable

### 3. Business Combinations and Goodwill

Not applicable

### 4. Discontinued Operations

Not applicable

### 5. Investments

A. Not applicable

B. Not applicable

C. Not applicable

### D. Loan-Backed Securities

- (1) Prepayment assumptions for mortgage-backed/loan-backed and structured securities were obtained from broker dealer survey values and internal estimates.
- (2) Not applicable
- (3) Not applicable
- (4) As of December 31, 2018, the Company had no impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment had not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains).
- (5) In determining when a decline in fair value below amortized cost of a security is other than temporary, the Company evaluates the following factors:
  - Whether the Company expects to recover the entire amortized cost basis of the security.

NOTES TO FINANCIAL STATEMENTS

- Whether the Company intends to sell the security or will be required to sell the security before the recovery of its amortized cost basis.
- Whether the security is current as to principal and interest payments.
- The significance of the decline in value.
- The time period during which there has been a significant decline in value.
- Current and future business prospects and trends of earnings.
- The valuation of the security’s underlying collateral.
- Relevant industry conditions and trends relative to their historical cycles.
- Market conditions.
- Rating agency and governmental actions.
- Bid and offering prices and the level of trading activity.
- Adverse changes in estimated cash flows for securitized investments.
- Changes in fair value subsequent to the balance sheet date.
- Any other key measures for the related security.

The Company evaluates available information, including the factors noted above, both positive and negative, in reaching its conclusions. In particular, the Company also considers the strength of the issuer’s balance sheet, its debt obligations and near term funding requirements, cash flow and liquidity, the profitability of its core businesses, the availability of marketable assets which could be sold to increase liquidity, its industry fundamentals and regulatory environment, and its access to capital markets. Although all available and applicable factors are considered in the analysis, the expectation of recovering the entire amortized cost basis of the security, whether the Company intends to sell the security, whether it is more likely than not the Company will be required to sell the security before recovery of its amortized cost, and whether the security is current on principal and interest payments are the most critical factors in determining whether impairments are other than temporary. The significance of the decline in value and the length of time during which there has been a significant decline are also important factors, but the Company does not record an impairment loss based solely on these two factors, since often other factors will impact the evaluation of a security.

While determining other-than-temporary impairments is a judgmental area, the Company utilizes a formal, well-defined, and disciplined process to monitor and evaluate its investments, supported by issuer specific research and documentation as of the end of each period. The process results in a thorough evaluation of problem investments and the recording of realized losses on a timely basis for investments determined to have an other-than-temporary impairment.

- E. Not applicable
- F. Not applicable
- G. Not applicable
- H. Not applicable
- I. Not applicable
- J. Not applicable
- K. Not applicable

NOTES TO FINANCIAL STATEMENTS

L. Restricted Assets

(1) Restricted Assets (Including Pledged)

Restricted Asset Category	Gross (Admitted & Nonadmitted) Restricted						
	December 31, 2018					6	7
	1	2	3	4	5		
	Total General Account (G/A)	G/A Supporting S/A Activity (a)	Total Separate Account (S/A) Restricted Assets	S/A Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/ (Decrease) (5 minus 6)
a. Subject to contractual obligation for which liability is not shown	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
b. Collateral held under security lending agreements	—	—	—	—	—	—	—
c. Subject to repurchase agreements	—	—	—	—	—	—	—
d. Subject to reverse repurchase agreements	—	—	—	—	—	—	—
e. Subject to dollar repurchase agreements	—	—	—	—	—	—	—
f. Subject to dollar reverse repurchase agreements	—	—	—	—	—	—	—
g. Placed under option contracts	—	—	—	—	—	—	—
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock	—	—	—	—	—	—	—
i. FHLB Capital Stock	32,300	—	—	—	32,300	30,500	1,800
j. On deposit with states	3,855,800	—	—	—	3,855,800	3,765,373	90,427
k. On deposit with other regulatory bodies	—	—	—	—	—	—	—
l. Pledged as collateral to FHLB (including assets backing funding agreements)	—	—	—	—	—	—	—
m. Pledged as collateral not captured in other categories	—	—	—	—	—	—	—
n. Other restricted assets	—	—	—	—	—	—	—
o. Total Restricted Assets	\$ 3,888,100	\$ —	\$ —	\$ —	\$ 3,888,100	\$ 3,795,873	\$ 92,227

(a) Subset of column 1  
(b) Subset of column 3

NOTES TO FINANCIAL STATEMENTS

Restricted Asset Category	December 31, 2018			
	8	9	10	11
	Percentage			
	Total Nonadmitted Restricted	Total Admitted Restricted (5 minus 8)	Gross (Admitted & Nonadmitted) Restricted to Total Assets (c)	Admitted Restricted to Total Admitted Assets (d)
a. Subject to contractual obligation for which liability is not shown	\$ —	\$ —	—%	—%
b. Collateral held under security lending agreements	—	—	—%	—%
c. Subject to repurchase agreements	—	—	—%	—%
d. Subject to reverse repurchase agreements	—	—	—%	—%
e. Subject to dollar repurchase agreements	—	—	—%	—%
f. Subject to dollar reverse repurchase agreements	—	—	—%	—%
g. Placed under option contracts	—	—	—%	—%
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock	—	—	—%	—%
i. FHLB Capital Stock	—	32,300	0.1%	0.1%
j. On deposit with states	—	3,855,800	4.0%	4.0%
k. On deposit with other regulatory bodies	—	—	—%	—%
l. Pledged as collateral to FHLB (including assets backing funding agreements)	—	—	—%	—%
m. Pledged as collateral not captured in other categories	—	—	—%	—%
n. Other restricted assets	—	—	—%	—%
o. Total Restricted Assets	\$ —	\$ 3,888,100	4.1%	4.1%

(c) Column 5 divided by Asset Page, Column 1, Line 28  
(d) Column 9 divided by Asset Page, Column 3, Line 28

- (2) Not applicable
- (3) Not applicable
- (4) Not applicable

- M. Not applicable
- N. Not applicable
- O. Not applicable
- P. Not applicable
- Q. Not applicable
- R. Prepayment Penalty and Acceleration Fees

	General Account	Separate Account
(1) Number of CUSIPs	1	—
(2) Aggregate Amount of Investment Income	\$ 15,264	\$ —

6. Joint Ventures, Partnerships and Limited Liability Companies

Not applicable

7. Investment Income

- A. The Company does not accrue investment income on bonds and mortgage loans where collection of interest is uncertain.
- B. The Company did not exclude any amounts from investment income due and accrued as of December 31, 2018.

8. Derivative Instruments

A., B. & C

In June 2017, the company terminated its only interest rate swap and underlying debt. In connection with this termination, the company paid \$725,803 to the counterparty which represented the difference in the book value and fair market value. The loss on the contract is the included in Net Realized Capital Gains (Losses) Line 34 of the Summary of Operations in the accompanying statement.

The Company had no derivatives as of December 31, 2018 or December 31, 2017.

D. Not applicable

E. Not applicable

F. Not applicable

G. Not applicable

H. Not applicable

9. Income Taxes

A. On December 22, 2017, the U.S. Federal government enacted a tax bill, H.R.1, An Act to Provide Reconciliation Pursuant to Titles II and V of the Concurrent Resolution on the Budget for Fiscal Year 2018, more commonly known as the Tax Cuts and Jobs Act (TCJA) which reduced the federal corporate tax rate from 35 percent to 21 percent effective January 1, 2018. Although the 2017 tax rate reduction became effective during a subsequent year, we are required to adjust deferred tax assets and liabilities through change in net deferred income tax on the date of enactment of a rate change.

During 2017, the admitted deferred tax asset decreased due to certain provisions in the TCJA including the revaluation of the gross deferred tax assets and liabilities to 21 percent and the change to disallow the carry back of life operating tax losses.

The NAIC issued Interpretation 18-01 (INT 18-01) allowing a one-year measurement period after the enactment of TCJA to finalize the calculation and record the related tax impacts. The Company finalized the transition adjustment for its tax basis policyholder reserves under TCJA. As a result, it reduced its deferred tax asset for the transition to the new basis from \$0.8 million to \$0.5 million as of January 1, 2018 and recorded an equal and offsetting increase to its deferred tax asset for policyholder reserves. The Company recorded no other changes to the calculations of the impact of the TCJA during the one-year measurement period after the enactment as allowed by INT 18-01.

The components of the net deferred tax assets (liabilities) and change from prior year are comprised of the following:

1.

	December 31, 2018			December 31, 2017			Change		
	1	2	3	4	5	6	7	8	9
			(Col 1 + 2)			(Col 4 + 5)	(Col 1 - 4)	(Col 2 - 5)	(Col 7 + 8)
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
(a) Gross Deferred Tax Assets	3,050,560	462,562	3,513,122	1,595,217	462,649	2,057,866	1,455,343	(87)	1,455,256
(b) Statutory Valuation Allowance									
Adjustment	2,718,930	462,562	3,181,492	—	147,258	147,258	2,718,930	315,304	3,034,234
(c) Adjusted Gross Deferred Tax									
Assets (1a - 1b)	331,630	—	331,630	1,595,217	315,391	1,910,608	(1,263,587)	(315,391)	(1,578,978)
(d) Deferred Tax Assets Nonadmitted	—	—	—	1,042,076	315,391	1,357,467	(1,042,076)	(315,391)	(1,357,467)
(e) Subtotal Net Admitted Deferred									
Tax Assets (1c - 1d)	331,630	—	331,630	553,141	—	553,141	(221,511)	—	(221,511)
(f) Deferred Tax Liabilities	331,630	—	331,630	553,141	—	553,141	(221,511)	—	(221,511)
(g) Net Admitted Deferred Tax Assets									
(1e - 1f)	—	—	—	—	—	—	—	—	—



NOTES TO FINANCIAL STATEMENTS

The deferred tax asset admitted under each component of SSAP No. 101 is shown below:

2.

December 31, 2018			December 31, 2017			Change		
1	2	3	4	5	6	7	8	9
		(Col 1 + 2)			(Col 4 + 5)	(Col 1 - 4)	(Col 2 - 5)	(Col 7 + 8)
Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Admission Calculation Components								
SSAP No. 101								
(a)	Federal Income Taxes Paid in Prior Years Recoverable through Loss Carrybacks							
	—	—	—	—	—	—	—	—
(b)	Adjusted Gross Deferred Tax Assets Expected to be Realized (Excluding the Amount of Deferred Tax Assets from 2(a) Above) After Application of the Threshold Limitation (the Lesser of 2(b)1 and 2(b)2 Below)							
	—	—	—	—	—	—	—	—
1.	Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date							
	—	—	—	—	—	—	—	—
2.	Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold							
	XXX	XXX	6,675,067	XXX	XXX	5,566,408	XXX	XXX
								1,108,659
(c)	Adjusted Gross Deferred Tax Assets (Excluding the Amount of Deferred Tax Assets from 2(a) and 2(b) Above) Offset by Gross Deferred Tax Liabilities							
	331,630	—	331,630	553,141	—	553,141	(221,511)	—
								(221,511)
(d)	Deferred Tax Assets Admitted as the Result of Application of SSAP No. 101							
	Total 2(a) + 2(b) + 2(c))							
	331,630	—	331,630	553,141	—	553,141	(221,511)	—
								(221,511)

3.

2018		2017	
(a)	Ratio Percentage Used to Determine Recovery Period and Threshold Limitation Amount		
	640.6%		600.1%
(b)	Amount of Adjusted Capital and Surplus Used to Determine Recovery Period and Threshold Limitation in 2(b)2 Above		
	\$ 44,500,445		\$ 37,109,385

4. Impact of Tax Planning Strategies

(a) The Company did not use tax planning strategies in 2018 or 2017 to admit existing deferred tax assets.

(b) Do the Company's tax-planning strategies include the use of reinsurance? Yes [ ] No [X]

B. Not applicable

NOTES TO FINANCIAL STATEMENTS

C. The components of income tax incurred and the net deferred tax assets (liabilities) are shown below:

	Year Ended December 31		
	2018	2017	Change
1. Current Income Tax (21 percent for 2018 and 35 percent for 2017)			
(a) Federal	\$ —	\$ (505,410)	\$ 505,410
(b) Foreign	—	—	—
(c) Subtotal	—	(505,410)	505,410
(d) Federal Income Tax Expense (Benefit) on Net Capital Gains (Losses)	—	—	—
(e) Utilization of Capital Loss Carryforwards	—	—	—
(f) Other	(130,301)	(362,840)	232,539
(g) Federal Income Tax Incurred	<u>\$ (130,301)</u>	<u>\$ (868,250)</u>	<u>\$ 737,949</u>

The Company includes prior year tax amounts net of tax loss contingencies in Line 1(f) - Other in the table above.

	December 31		
	2018	2017	Change
2. Deferred Tax Assets			
(a) Ordinary			
(1) Discounting of Unpaid Losses	\$ —	\$ —	\$ —
(2) Unearned Premium Reserve	—	—	—
(3) Policyholder Reserves	1,045,104	274,622	770,482
(4) Investments	—	—	—
(5) Deferred Acquisition Costs	475,721	506,762	(31,041)
(6) Policyholder Dividends Accrual	—	—	—
(7) Fixed Assets	—	—	—
(8) Compensation and Benefits Accrual	—	—	—
(9) Pension Accrual	—	—	—
(10) Receivables - Nonadmitted	—	—	—
(11) Net Operating Loss Carryforward	1,121,395	—	1,121,395
(12) Tax Credit Carryforward	—	—	—
(13) Other			
(a) Tax Reform Reserve Strengthening	408,340	807,521	(399,181)
(b) Other (including items < 5% of total ordinary tax assets)	—	6,312	(6,312)
(99) Subtotal	<u>3,050,560</u>	<u>1,595,217</u>	<u>1,455,343</u>
(b) Statutory Valuation Allowance Adjustment	2,718,930	—	2,718,930
(c) Nonadmitted	—	1,042,076	(1,042,076)
(d) Admitted Ordinary Deferred Tax Assets (2a99 - 2b - 2c)	<u>331,630</u>	<u>553,141</u>	<u>(221,511)</u>
(e) Capital			
(1) Investments	—	—	—
(2) Net Capital Loss Carryforward	147,171	147,258	(87)
(3) Real Estate	315,391	315,391	—
(4) Other (including items < 5% of total capital tax assets)	—	—	—
(99) Subtotal	<u>462,562</u>	<u>462,649</u>	<u>(87)</u>
(f) Statutory Valuation Allowance Adjustment	462,562	147,258	315,304
(g) Nonadmitted	—	315,391	(315,391)
(h) Admitted Capital Deferred Tax Assets (2e99 - 2f - 2g)	<u>—</u>	<u>—</u>	<u>—</u>
(i) Admitted Deferred Tax Assets (2d + 2h)	<u>331,630</u>	<u>553,141</u>	<u>(221,511)</u>

3. Deferred Tax Liabilities			
(a) Ordinary			
(1) Investments	—	—	—
(2) Fixed Assets	304,377	171,344	133,033
(3) Deferred and Uncollected Premium	—	381,797	(381,797)
(4) Policyholder Reserves	—	—	—

NOTES TO FINANCIAL STATEMENTS

(5)	Premium Tax Credits	27,253	—	27,253
	(99) Subtotal	331,630	553,141	(221,511)
(b)	Capital			
(1)	Investments	—	—	—
(2)	Real Estate	—	—	—
(3)	Other (including items < 5% of total capital tax liabilities)	—	—	—
	(99) Subtotal	—	—	—
(c)	Deferred Tax Liabilities (3a99 + 3b99)	331,630	553,141	(221,511)
4.	Net Deferred Tax Assets (2i - 3c)	\$ —	\$ —	\$ —

NOTES TO FINANCIAL STATEMENTS

D. The provision for federal income tax incurred differs from the amount obtained by applying the federal statutory rate of 21 percent for 2018 and 35 percent for 2017 to pre-tax net income, as shown below:

	Year Ended December 31			
	2018		2017	
Provision Computed at Statutory Rate	\$ (2,021,944)	21.0 %	\$ (1,272,031)	35.0%
Deferred Tax Asset Remeasurement	—	—	1,003,151	(27.6)
Valuation Allowance	3,034,234	(31.4)	147,258	(4.0)
Affordable Care Act Assessment	473,209	(4.9)	—	—
Change in Non Admitted Assets	(113,003)	1.2	(70,062)	1.9
Prior Year Taxes	(126,140)	1.3	(271,287)	7.5
Other	(19,190)	0.2	(26,534)	0.7
Total	<u>\$ 1,227,166</u>	<u>(12.6)%</u>	<u>\$ (489,505)</u>	<u>13.5%</u>
Federal Income Tax Incurred	\$ (130,301)	1.4 %	\$ (868,250)	23.9%
Change in Net Deferred Income Tax	1,357,467	(14.0)	378,745	(10.4)
Total Statutory Income Tax	<u>\$ 1,227,166</u>	<u>(12.6)%</u>	<u>\$ (489,505)</u>	<u>13.5%</u>

E. The Company incurred a 2018 operating loss of \$5,339,976, which can be carried forward indefinitely. At December 31, 2018, the Company had a capital loss carryforward of \$700,814, most of which originated during 2017 and will expire in 2022 if unused. The Company has recorded a valuation allowance against its net deferred tax asset as a result of its cumulative operating losses.

As of December 31, 2018 and 2017, the Company had no tax related balance outstanding with either H&J Capital, LLC or Unum Group.

Income tax expense for 2018, 2017, and 2016 that is available for recoupment in the event of future net losses is as follows:

NOTES TO FINANCIAL STATEMENTS

Year	Ordinary	Capital	Total
2018	\$ —	\$ —	\$ —
2017	—	—	—
2016	—	20,308	20,308
Total	<u>\$ —</u>	<u>\$ 20,308</u>	<u>\$ 20,308</u>

F. The Company will file a separate federal income tax return for five years as required by the Internal Revenue Service following a change in ownership of a life insurance company. The Company will be eligible to be included in the consolidated federal income tax return with its parent company, Unum Group, in 2022.

Tax years subsequent to 2014 remain subject to examination by tax authorities in the U.S.

G. The Company does not anticipate a significant increase to a loss contingency for income taxes in the next 12 months.

10. Information Concerning Parent, Subsidiaries, Affiliates, and Other Related Parties

A. Nature of the Relationship: Starmount Life Insurance Company is a wholly-owned subsidiary of H&J Capital, L.L.C. (HJC), a wholly-owned subsidiary of Unum Group. See Schedule Y - Part 1 for a complete listing of affiliates.

B. & C.

During 2018, the Company received capital contributions from HJC of \$3,000,000, \$7,000,000, \$4,000,000 and \$4,000,000 on April 5, June 25, September 27, and December 31, respectively. During 2017, the Company received capital contributions of \$3,000,000 each from HJC on June 30, September 29, and December 27.

During 2018 and 2017, the Company paid no dividends.

- D. Amounts reported on pages 2 and 3 herein as receivables from or payables to parent, subsidiaries, and affiliates result from normal, ongoing business processes and are settled in full on a monthly basis.
- E. Not applicable
- F. The Company receives from its affiliates certain administrative, investment, and actuarial services, the cost of which was negotiated in an arm’s-length transaction.
- G. All outstanding shares of the Company are owned by HJC, a non-insurance holding company organized in Louisiana, which is a wholly-owned subsidiary of Unum Group, a non-insurance holding company incorporated in Delaware. Various other affiliates are under the ownership of Unum Group, but all transactions between affiliates are arm’s-length in nature and do not result in the operating results or financial position of the Company being significantly different from those that would have been obtained if the enterprises were autonomous.
- H. Not applicable
- I. Not applicable
- J. Not applicable
- K. Not applicable
- L. Not applicable
- M. Not applicable
- N. Not applicable
- O. Not applicable

11. Debt

- A. Not applicable
- B. FHLB (Federal Home Loan Bank) Agreements

(1) & (2) The Company is a member of the FHLB of Dallas. As a member, the Company may obtain access to low-cost funding and also receive dividends based on its stock ownership. Membership requires the purchase of a minimum amount of FHLB capital stock based on a percentage of total admitted assets. The Company currently holds the minimum amount required

## NOTES TO FINANCIAL STATEMENTS

totaling \$32,300. Additional capital stock purchases are required based upon the amount of funds borrowed from the FHLB. The Company would be required to post U.S. Treasury securities or other acceptable forms of collateral for any borrowings made from the FHLB. The Company has never and does not anticipate it will enter into funding agreements with the FHLB in the foreseeable future.

(3) Not applicable

(4) Not applicable

### 12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

The Company purchases services from its affiliates in accordance with an intercompany cost sharing arrangement. There is no material obligation on the part of the Company beyond the amounts paid as part of the cost of services purchased.

A. Not applicable

B. Not applicable

C. Not applicable

D. Not applicable

E. Not applicable

F. Not applicable

G. The Company purchases services from its affiliates in accordance with an intercompany cost sharing arrangement. There is no material obligation on the part of the Company beyond the amounts paid as part of the cost of services purchased.

H. Not applicable

I. Not applicable

### 13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations

(1) The Company has 40,000 shares authorized, issued and outstanding. Par value is \$75 per share.

(2) The Company has no preferred stock outstanding.

(3) The maximum amount of dividends which can be paid to shareholders by Maine domiciled insurance companies without prior approval by the Bureau is subject to restrictions relating to (i) the greater of 10 percent of an insurer's surplus as regards policyholders as of the preceding year end or the net gain from operations of the preceding year, (ii) dividends being declared within five years after any acquisition of control of a domestic insurer or its ultimate controlling person (unless approved by a number of continuing directors equal to a majority of the directors in office immediately preceding that acquisition of control), and (iii) payment not being made entirely from unassigned funds, where 50 percent of the net of unrealized capital gains and unrealized capital losses, reduced, but not to less than zero, by that portion of the asset valuation reserve attributable to equity investments, must be excluded from the calculation of unassigned funds.

(4) During 2018 and 2017, the Company paid no dividends.

(5) The portion of the Company's profits that may be payable as ordinary dividends to its stockholders is a function of the dividend restriction previously noted.

(6) Not applicable

(7) Not applicable

(8) Not applicable

(9) Special Surplus has been updated to reflect the Company's ACA assessment paid in 2018.

(10) The Company's unassigned funds (surplus) are not represented or reduced by any cumulative gains and losses as of December 31, 2018.

(11) Not applicable

(12) Not applicable

(13) Not applicable

NOTES TO FINANCIAL STATEMENTS

14. Liabilities, Contingencies and Assessments

- A. Not applicable
- B. Assessments

(1) The Company has made no accrual in its financial statements for future guaranty fund assessments. The Company believes its exposure at December 31, 2018, to be immaterial to the financial statements.

(2) The change in the guaranty asset balance summarized below reflects estimated premium tax offsets of new insolvencies accrued for during 2018, revised estimated premium tax offsets for existing insolvencies based on revised estimated cost information provided by the National Organization of Life and Health Guaranty Associations, and an adjustment for premium tax offsets used.

Rollforward of Related Asset	December 31, 2018
a. Assets recognized from paid and accrued premium tax offsets and policy surcharges prior year-end	\$ —
b. Decreases current year: Premium tax offset applied	—
c. Increases current year: Change in cost estimate	129,780
d. Assets recognized from paid and accrued premium tax offsets and policy surcharges current year-end	\$ 129,780

(3) Not applicable
- C. Not applicable
- D. Not applicable
- E. Not applicable
- F. Unum Group is a defendant in a number of litigation matters. Further, state insurance regulatory authorities and other federal and state authorities regularly make inquiries and conduct investigations concerning Unum Group's compliance with applicable insurance and other laws and regulations. Given the complexity and scope of Unum Group's litigation and regulatory matters, it is not possible to predict the ultimate outcome of all pending investigations or legal proceedings or provide reasonable estimates of potential losses, except if noted in connection with specific matters.

In some of these matters, no specified amount is sought. In others, very large or indeterminate amounts, including punitive and treble damages, are asserted. There is a wide variation of pleading practice permitted in the United States courts with respect to requests for monetary damages, including some courts in which no specified amount is required and others which allow the plaintiff to state only that the amount sought is sufficient to invoke the jurisdiction of that court. Further, some jurisdictions permit plaintiffs to allege damages well in excess of reasonably possible verdicts. Based on extensive experience and that of others in the industry with respect to litigating or resolving claims through settlement over an extended period of time, Unum Group believes that the monetary damages asserted in a lawsuit or claim bear little relation to the merits of the case, or the likely disposition value. Therefore, the specific monetary relief sought is not stated.

Unless indicated otherwise in the descriptions below, reserves have not been established for litigation and contingencies. An estimated loss is accrued when it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated.

Claims Handling Matters

Unum Group and its insurance subsidiaries, including the Company, in the ordinary course of its business, are engaged in claim litigation where disputes arise as a result of a denial or termination of benefits. Most typically these lawsuits are filed on behalf of a single claimant or policyholder, and in some of these individual actions punitive damages are sought, such as claims alleging bad faith in the handling of insurance claims. For its general claim litigation, Unum Group and its insurance company subsidiaries, including the Company, maintain reserves based on experience to satisfy judgments and settlements in the normal course. Management expects that the ultimate liability, if any, with respect to general claim litigation, after consideration of the reserves maintained, will not be material to the financial condition of the Company. Nevertheless, given the inherent unpredictability of litigation, it is possible that an adverse outcome in certain claim litigation involving punitive damages could, from time to time, have a material adverse effect on the Company's results of operations in a period, depending on the results of operations of the Company for the particular period. The Company is unable to estimate the range of reasonably possible punitive losses.



NOTES TO FINANCIAL STATEMENTS

From time to time class action allegations are pursued where the claimant or policyholder purports to represent a larger number of individuals who are similarly situated. Since each insurance claim is evaluated based on its own merits, there is rarely a single act or series of actions which can properly be addressed by a class action. Nevertheless, Unum Group monitors these cases closely and defends itself appropriately where these allegations are made.

Miscellaneous Matters

Similar to other insurers, Unum Group was recently the subject of an examination by a third party acting on behalf of a number of state treasurers concerning its compliance with the unclaimed property laws of the participating states. Unum Group cooperated fully with this examination and in the fourth quarter of 2017, Unum Group started the process to reach a Global Resolution Agreement with the third party regarding settlement of the examination, which it finalized in January of 2018. Under the terms of the agreement, the third party acting on behalf of the signatory states compared insured data to the Social Security Administration’s Death Master File to identify deceased insureds and contract holders where a valid claim has not been made. During the fourth quarter of 2017, Unum Group established reserves which reflect its estimate of the liability expected to be paid as it executes on the terms of the settlement. Unum Group is also cooperating with a Delaware Market Conduct examination involving the same issue, which is currently inactive. The legal and regulatory environment around unclaimed death benefits continues to evolve. It is possible that the current settlement and/or similar investigations by other state jurisdictions may result in payments to beneficiaries, the payment of abandoned funds under state law, and/or administrative penalties, the total of which may be in excess of the reserves established.

In 2009, a Pennsylvania-based insurance company and its affiliates were ordered into rehabilitation, and the Pennsylvania Insurance Commissioner, who was appointed as the Rehabilitator, filed petitions for liquidation with the Commonwealth Court of Pennsylvania. Under Pennsylvania law, payment of covered claims and other related insurance obligations are provided, within prescribed limits, by state guaranty associations. These guaranty associations assess fees to meet these obligations on insurance companies that sell insurance within the state, which are generally based on a company's pro rata portion of average premiums written or received for several years prior to the insolvency. In March 2017, a formal order of liquidation was issued, and as such, the Company was subject to an assessment by those guaranty associations that are responsible for policyholder claims, the amount of which was immaterial to the Company. The Company continues to submit payment to satisfy this assessment as requests are received from the guaranty associations.

15. Leases

A. Lessee Leasing Arrangements

- (1) The Company leases office space under various noncancelable operating leases under terms that expire through 2020. Rent expense in 2018 and 2017 was \$171,757 and \$104,008, respectively. The Company had no contingent or sublease rentals or liability for early lease terminations as of December 31, 2018.
- (2) At December 31, 2018, the minimum aggregate rental commitments are as follows:

	<u>Year Ending</u> <u>December 31</u>	<u>Operating Leases</u>
1.	2019	\$ 183,956
2.	2020	\$ 39,509
3.	2021	\$ —
4.	2022	\$ —
5.	2023	\$ —
6.	Total	\$ 223,465

- (3) Not applicable

B. Lessor Leases

Not applicable

16. Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk

Not applicable

17. Sale, Transfer and Servicing of Financial Assets, and Extinguishments of Liabilities

A. Not applicable

B. Transfer and Servicing of Financial Assets



NOTES TO FINANCIAL STATEMENTS

- (1) Not applicable
- (2) a. Not applicable
  - b. Not applicable
  - c. Not applicable
- (3) Not applicable
- (4) a. Not applicable
  - b. Not applicable
- (5) Not applicable
- (6) Not applicable
- (7) Not applicable

C. Wash sales

Not applicable

18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

Not applicable

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

There were no direct premiums written through managing general agents and third party administrators for the year ending December 31, 2018.

20. Fair Value Measurements

The fair values of the Company’s financial instruments are categorized into a three-level classification. The lowest level input that is significant to the fair value measurement of a financial instrument is used to categorize the instrument and reflects the judgment of management. The valuation criterion for each level is summarized as follows:

- Level 1 - Inputs are unadjusted and represent quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 - Inputs (other than quoted prices included in Level 1) are either directly or indirectly observable for the asset or liability through correlation with market data at the measurement date and for the duration of the instrument’s anticipated life. Level 2 inputs include, for example, indicative prices obtained from brokers or pricing services validated to other observable market data and quoted prices for similar assets or liabilities.
- Level 3 - Inputs reflect the Company’s best estimate of what market participants would use in pricing the asset or liability at the measurement date. Financial assets and liabilities categorized as Level 3 are generally based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. The inputs reflect the Company’s estimates about the assumptions that market participants would use in pricing the instrument in a current period transaction.

See section C for further discussion of the Company’s valuation methods and techniques.

- A. Not applicable
- B. Not applicable

C. Presented as follows are the fair values, admitted values, and categorization by input level of financial instruments held at the reporting date. The admitted values of financial instruments such as cash and cash equivalents, accounts and premiums receivable, accrued investment income, borrowed money, payable for securities lending, and short-term payables approximate fair value due to the short-term nature of the instruments. As such, these financial instruments are not included in the following charts.

NOTES TO FINANCIAL STATEMENTS

December 31, 2018							
Types of Financial Instruments	Aggregate Fair Value	Admitted Values	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Admitted Assets							
Bonds	\$ 43,397,493	\$ 43,562,192	\$ —	\$ 43,397,493	\$ —	\$ —	\$ —
Common Stock	32,300	32,300	—	—	32,300	—	—
Contract Loans	1,093,104	748,596	—	—	1,093,104	—	—
December 31, 2017							
Types of Financial Instruments	Aggregate Fair Value	Admitted Values	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Admitted Assets							
Bonds	\$ 38,239,210	\$ 37,055,080	\$ —	\$ 38,239,210	\$ —	\$ —	\$ —
Common Stock	30,500	30,500	—	—	30,500	—	—
Contract Loans	1,026,440	687,659	—	—	1,026,440	—	—

The following methods and assumptions were used in estimating the fair values of the Company’s financial instruments.

*Bonds:* Fair values are based on quoted market prices, where available. For bonds not actively traded, fair values are estimated using values obtained from independent pricing services. For private placements, fair values are estimated using internally prepared valuations combining matrix pricing with vendor purchased software programs, including valuations based on estimates of future profitability. Additionally, the Company obtains prices from independent third-party brokers to establish valuations for certain of these securities.

*Common Stock:* FHLB stock valued at cost with no readily available fair value.

*Contract Loans:* Fair values are estimated using discounted cash flow analyses and interest rates currently being offered to policyholders with similar policies.

Fair values for the Company’s insurance contracts other than investment contracts are not required to be disclosed. However, the fair values of liabilities under all insurance contracts are taken into consideration in the Company’s overall management of interest rate risk, which minimizes exposure to changing interest rates through the matching of investment maturities with amounts due under insurance contracts.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and, therefore, represents an exit price, not an entry price. The exit price objective applies regardless of a reporting entity’s intent and/or ability to sell the asset or transfer the liability at the measurement date.

The degree of judgment utilized in measuring the fair value of financial instruments generally correlates to the level of pricing observability. Financial instruments with readily available active quoted prices or for which fair value can be measured from actively quoted prices in active markets generally have more pricing observability and less judgment utilized in measuring fair value. An active market for a financial instrument is a market in which transactions for an asset or a similar asset occur with sufficient frequency and volume to provide pricing information on an ongoing basis. A quoted price in an active market provides the most reliable evidence of fair value and should be used to measure fair value whenever available. Conversely, financial instruments rarely traded or not quoted have less observability and are measured at fair value using valuation techniques that require more judgment. Pricing observability is generally impacted by a number of factors, including the type of financial instrument, whether the financial instrument is new to the market and not yet established, the characteristics specific to the transaction, and overall market conditions.

Valuation techniques used for assets and liabilities accounted for at fair value are generally categorized into three types. The market approach uses prices and other relevant information from market transactions involving identical or comparable assets or liabilities. The income approach converts future amounts, such as cash flows or earnings, to a single present amount, or a discounted amount. The cost approach is based upon the amount that currently would be required to replace the service capacity of an asset, or the current replacement cost.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available that can be obtained without undue cost and effort. In some cases, a single valuation technique will be appropriate (for example, when valuing an asset or liability using quoted prices in an active market for identical assets or liabilities). In other cases, multiple valuation techniques will be appropriate. If the Company uses multiple valuation techniques to measure fair value, it evaluates

## NOTES TO FINANCIAL STATEMENTS

and weighs the results, as appropriate, considering the reasonableness of the range indicated by those results. A fair value measurement is the point within that range that is most representative of fair value in the circumstances.

The selection of the valuation method(s) to apply considers the definition of an exit price and depends on the nature of the asset or liability being valued. The Company generally uses valuation techniques consistent with the market approach, and to a lesser extent, the income approach. The Company believes the market approach provides more observable data than the income approach, considering the type of investments the Company holds. The Company's fair value measurements could differ significantly based on the valuation technique and available inputs. When using a pricing service, the Company obtains the vendor's pricing documentation to ensure the Company understands their methodologies. The Company periodically reviews and approves the selection of its pricing vendors to ensure the Company is in agreement with their current methodologies. When markets are less active, brokers may rely more on models with inputs based on the information available only to the broker. The Company's internal investment management professionals, which include portfolio managers and analysts, monitor securities priced by brokers and evaluate their prices for reasonableness based on benchmarking to available primary and secondary market information. In weighing a broker quote as an input to fair value, the Company places less reliance on quotes that do not reflect the result of market transactions. The Company also considers the nature of the quote, particularly whether the quote is a binding offer. If prices in an inactive market do not reflect current prices for the same or similar assets, adjustments may be necessary to arrive at fair value. When relevant market data is unavailable, which may be the case during periods of market uncertainty, the income approach can, in suitable circumstances, provide a more appropriate fair value. During 2018, the Company has applied valuation approaches and techniques on a consistent basis to similar assets and liabilities and consistent with those approaches and techniques used at year end 2017.

The Company uses observable and unobservable inputs in measuring the fair value of its financial instruments. Inputs that may be used include the following:

- Broker market maker prices and price levels
- Trade Reporting and Compliance Engine (TRACE) pricing
- Prices obtained from external pricing services
- Benchmark yields (Treasury and interest rate swap curves)
- Transactional data for new issuance and secondary trades
- Security cash flows and structures
- Recent issuance/supply
- Sector and issuer level spreads
- Security credit ratings/maturity/capital structure/optionality
- Corporate actions
- Underlying collateral
- Prepayment speeds/loan performance/delinquencies/weighted average life/seasoning
- Public covenants
- Comparative bond analysis
- Relevant reports issued by analysts and rating agencies
- Audited financial statements

The management of the Company's investment portfolio includes establishing pricing policy and reviewing the reasonableness of sources and inputs used in developing pricing. The Company reviews all prices obtained to ensure they are consistent with a variety of observable market inputs and to verify the validity of a security's price. In the event the Company receives a vendor's market price that does not appear reasonable based on its market analysis, the Company may challenge the price and request further information about the assumptions and methodologies used by the vendor to price the security. The Company may change the vendor price based on a better data source such as an actual trade. The Company also reviews all price changes from the prior month which fall outside a predetermined corridor. The overall valuation process for determining fair values may include adjustments to valuations obtained from the Company's pricing sources when they do not represent a valid exit price. These adjustments may be made when, in the Company's judgment and considering its knowledge of the financial conditions and industry in which the issuer operates, certain features of the financial instrument require that an adjustment be made to the value originally obtained from the Company's pricing sources. These features may include the complexity of the financial instrument, the market in which the financial instrument is traded, credit structure, concentration, or liquidity. Additionally, an adjustment to the price derived from a model typically reflects the Company's judgment of the inputs that other participants in the market for the financial instrument being measured at fair value would consider in pricing that same financial instrument. In the event an asset is sold, the Company tests the validity of the fair value determined by its valuation techniques by comparing the selling price to the fair value determined for the asset in the immediately preceding month end reporting period closest to the transaction date.

The parameters and inputs used to validate a price on a security may be adjusted for assumptions about risk and current market conditions on a quarter to quarter basis, as certain features may be more significant drivers of valuation at the time of pricing. Changes to inputs in valuations are not changes to valuation methodologies; rather, the inputs are modified to reflect direct or indirect impacts on asset classes from changes in market conditions.

Certain of the Company's investments do not have readily determinable market prices and/or observable inputs or may at times be affected by the lack of market liquidity. For these securities, the Company uses internally prepared valuations combining matrix pricing with vendor purchased software programs, including valuations based on estimates of future profitability, to estimate the fair value. Additionally, the Company may obtain prices from independent third-party brokers to aid in establishing valuations for certain of these securities. Key assumptions used to determine fair value for these securities include risk free interest rates, risk premiums, performance of underlying collateral (if any), and other factors involving significant assumptions which may or may not reflect those of an active market.

NOTES TO FINANCIAL STATEMENTS

The Company considers transactions in inactive or disorderly markets to be less representative of fair value. The Company uses all available observable inputs when measuring fair value, but when significant other unobservable inputs and adjustments are necessary, it classifies these assets or liabilities as Level 3.

- D. Not applicable
- E. Not applicable

21. Other Items

Not applicable

22. Events Subsequent

Type I - Recognized Subsequent Events:

Subsequent events were evaluated through the time at which the financial statements were issued on February 20, 2019. The Company is not aware of any events subsequent to December 31, 2018 that could have a material effect on its financial condition.

Type II - Non Recognized Subsequent Events:

Subsequent events have been considered through February 20, 2018 for the statutory statement issued on February 20, 2018.

On January 1, 2019, the Company will be subject to an annual fee under section 9010 of the Federal Affordable Care Act (ACA). This annual fee will be allocated to the individual health insurers based on the ratio of the amount of the entity's net premiums written during the proceeding calendar year to the amount of health insurance for any U.S. health risk that is written during the proceeding calendar year. A health insurance entity's portion of the annual fee becomes payable once the entity provides health insurance for any U.S. health risk for each calendar year beginning on or after January 1 of the year the fee is due. As of December 31, 2018, the Company has written health insurance subject to the ACA assessment, expects to conduct health insurance business in 2019, and estimates their pre-tax portion of the annual health insurance industry fee to be payable on September 30, 2019 to be \$0 due to a moratorium on the amount that would have been paid in 2019. The amount is reflected in special surplus. Note that the payable represents the Company's net amount of pre-tax assessment payable including the Company's portion of assumed business that is reimbursed to the writing carrier. Additionally, the premiums subject to the assessment presented below are presented at direct and assumed. This assessment will have no impact to risk based capital (RBC). Reporting the ACA assessment as of December 31, 2018, would not have triggered an RBC action level.

	Current Year	Prior Year
A. Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the federal Affordable Care Act (YES/NO)?	Yes (X) No ( )	
B. ACA fee assessment payable for the upcoming year	\$0	\$3,389,731
C. ACA fee assessment paid	\$2,005,673	\$0
D. Premium written subject to ACA 9010 assessment	\$206,584,444	\$174,514,224
E. Total Adjusted Capital after surplus adjustment (Five-Year Historical Line 30)	45,718,941	
F. Total Adjusted Capital after surplus adjustment (Five-Year Historical Line 30 minus 22B above)	45,718,941	
G. Authorized Control Level (Five-Year Historical Line 31)	7,136,493	
H. Would reporting the ACA assessment as of December 31, 2018, have triggered an RBC action level (YES/NO)?	Yes ( ) No (X)	

23. Reinsurance

A. Ceded Reinsurance Report

Section 1 - General Interrogatories

1. Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10 percent or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company?
- Yes ( ) No ( X )

If yes, give full details.



## NOTES TO FINANCIAL STATEMENTS

2. Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10 percent or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?

Yes ( )

No ( X )

If yes, give full details.

## Section 2 - Ceded Reinsurance Report - Part A

1. Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credits?

Yes ( )

No ( X )

- a. If yes, what is the estimated amount of the aggregate reduction in surplus of a unilateral cancellation by the reinsurer as of the date of this statement, for those agreements in which cancellation results in a net obligation of the company to the reinsurer, and for which such obligation is not presently accrued? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate. \$ \_\_\_\_\_
- b. What is the total amount of reinsurance credits taken, whether as an asset or as a reduction of liability, for these agreements in this statement? \$ \_\_\_\_\_

2. Does the company have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?

Yes ( )

No ( X )

If yes, give full details.

## Section 3 - Ceded Reinsurance Report - Part B

1. What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate.

None

2. Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement? \$

Yes ( )

No ( X )

If yes, what is the amount of reinsurance credits, whether an asset or a reduction of liability, taken for such new agreements or amendments?

- B. Uncollectible Reinsurance:

Not applicable

- ### C. Commutation of Ceded Reinsurance:

Not applicable

- #### D. Certified Reinsurer Rating Downgrade or Status Subject to Revocation

Not applicable

- E. Not applicable

- F. Not applicable

- G. Not applicable

## 24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

Not applicable

## NOTES TO FINANCIAL STATEMENTS

### 25. Change in Incurred Losses and Loss Adjustment Expenses

- A. As of December 31, 2017, reserves for unpaid claim and claim adjustment expenses attributable to claims incurred on or before that date were \$12,919,383. For the twelve months ended December 31, 2018, \$11,465,356 had been paid for incurred claims and claim adjustment expenses attributable to claims incurred in prior years. As of December 31, 2018, reserves remaining for prior years were \$92,064 as a result of re-estimation of unpaid claims and claim adjustment expenses, principally on accident and health policies. Therefore, there has been a favorable prior year development of \$1,361,963 for the period December 31, 2017 to December 31, 2018. The decrease is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims.
- B. There were no significant changes in methodologies and assumptions used in calculating the liability for unpaid losses and loss adjustment expenses.

### 26. Intercompany Pooling Arrangements

Not applicable

### 27. Structured Settlements

Not applicable

### 28. Health Care Receivables

Not applicable

### 29. Participating Policies

Not applicable

### 30. Premium Deficiency Reserves

Not applicable

### 31. Reserves for Life Contracts and Annuity Contracts

- (1) The Company waives deduction of deferred fractional premiums upon death of the insured and returns any portion of the final premium beyond the date of death. Surrender values are not promised in excess of legally computed reserves.
- (2) The extra reserve on annual premium policies subject to an extra premium is one-half the extra annual gross premium. The extra reserve for single premium policies subject to an extra premium is one-half the extra gross single premium. The rating-up in age method and liens are not used by the Company.
- (3) As of December 31, 2018, the Company had \$49,883,000 of insurance in force for which the gross premiums are less than the net premiums according to the standard valuation required by the State of Maine. Reserves to cover the above insurance totaled the gross amount of \$168,962 at year-end and are reported in Exhibit 5, Life Insurance and Annuities sections.
- (4) The tabular interest, tabular less actual reserve released, and tabular cost have each been determined by formula as described in the instructions.
- (5) Not applicable

NOTES TO FINANCIAL STATEMENTS

32. Analysis of Annuity Actuarial Reserves and Deposit-Type Liabilities by Withdrawal Characteristics

	General Account	Separate Account with Guarantees	Separate Account Nonguaranteed	Total	Percent of Total
A. Subject to discretionary withdrawal:					
(1) With market value adjustment	\$ —	\$ —	\$ —	\$ —	—%
(2) At book value less current surrender charge of 5% or more	—	—	—	—	—
(3) At fair value	—	—	—	—	—
(4) Total with market value adjustment or at fair value	—	—	—	—	—
(5) At book value without adjustment (minimal or no charge or adjustment)	66,044	—	—	66,044	100.0
B. Not subject to discretionary withdrawal	—	—	—	—	—
C. Total (gross: direct + assumed)	66,044	—	—	66,044	100.0%
D. Reinsurance ceded	—	—	—	—	
E. Total (net) * (C) – (D)	\$ 66,044	\$ —	\$ —	\$ 66,044	

\*Reconciliation of total annuity actuarial reserves and deposit fund liabilities

F. Life & Accident & Health Annual Statement:	Amount
1. Exhibit 5, Annuities Section, Total (net)	\$ 66,044
2. Exhibit 5, Supplementary Contracts with Life Contingencies Section, Total (net)	—
3. Exhibit 7, Deposit-Type Contracts, Line 14, Column 1	—
4. Subtotal	66,044

Separate Accounts Annual Statement:

5. Exhibit 3, Line 0299999, Column 2	—
6. Exhibit 3, Line 0399999, Column 2	—
7. Policyholder Dividend and Coupon Accumulations	
8. Policyholder Premiums	—
9. Guaranteed Interest Contracts	—
10. Other Contract Deposit Funds	—
11. Subtotal	—
12. Combined Total	\$ 66,044

33. Premium & Annuity Considerations Deferred and Uncollected

Deferred and uncollected life insurance premiums as of December 31, 2018 were as follows:

Type	Gross	Net of Loading
(1) Industrial	\$ —	\$ —
(2) Ordinary new business	44,739	19,110
(3) Ordinary renewal	2,641,050	2,445,669
(4) Credit Life	—	—
(5) Group Life	2,718	2,718
(6) Group Annuity	—	—
(7) Total	\$ 2,688,507	\$ 2,467,497

NOTES TO FINANCIAL STATEMENTS

34. Separate Accounts

Not applicable

35. Loss/Claim Adjustment Expenses

Not applicable



GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES  
GENERAL

1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?  
If yes, complete Schedule Y, Parts 1, 1A and 2

Yes ☒ No ☐

1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes ☒ No ☐ N/A ☐

1.3

State Regulating?

Maine

1.4

Is the reporting entity publicly traded or a member of a publicly traded group?

Yes ☒ No ☐

1.5

If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group.

5513

2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes ☒ No ☐

2.2

If yes, date of change:

12/20/2018

3.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2018

3.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2012

3.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

04/03/2014

3.4

By what department or departments?  
Louisiana

3.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes ☒ No ☐ N/A ☐

3.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes ☒ No ☐ N/A ☐

4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:  
4.11 sales of new business?  
4.12 renewals?

Yes ☐ No ☒  
Yes ☐ No ☒

4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:  
4.21 sales of new business?  
4.22 renewals?

Yes ☐ No ☒  
Yes ☐ No ☒

5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?  
If yes, complete and file the merger history data file with the NAIC.

Yes ☐ No ☒

5.2

If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes ☐ No ☒

6.2

If yes, give full information:

7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes ☐ No ☒

7.2

If yes,  
7.21 State the percentage of foreign control;  
7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

1 Nationality	2 Type of Entity

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE STARMOUNT LIFE INSURANCE COMPANY

GENERAL INTERROGATORIES

8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes [ ] No [ X ]

8.2

If response to 8.1 is yes, please identify the name of the bank holding company.

8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes [ ] No [ X ]

8.4

If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1	2	3	4	5	6
Affiliate Name	Location (City, State)	FRB	OCC	FDIC	SEC

9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?

Ernst & Young, LLP 1110 Market Street, Suite 216 Chattanooga, TN 37402

10.1

Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?

Yes [ ] No [ X ]

10.2

If the response to 10.1 is yes, provide information related to this exemption:

10.3

Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation?

Yes [ ] No [ X ]

10.4

If the response to 10.3 is yes, provide information related to this exemption:

10.5

Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?

Yes [ X ] No [ ] N/A [ ]

10.6

If the response to 10.5 is no or n/a, please explain

11.

What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?

James Merwald, Actuarial Resources Corp. (consulting actuary) 6720 W. 121st St. Overland Park, KS 66209

12.1

Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes [ ] No [ X ]

12.11

Name of real estate holding company

12.12

Number of parcels involved

12.13

Total book/adjusted carrying value

\$

12.2

If, yes provide explanation:

13.

FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

13.1

What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

13.2

Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes [ ] No [ ]

13.3

Have there been any changes made to any of the trust indentures during the year?

Yes [ ] No [ ]

13.4

If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?

Yes [ ] No [ ] N/A [ ]

14.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

Yes [ X ] No [ ]

(a)

Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

(b)

Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;

(c)

Compliance with applicable governmental laws, rules and regulations;

(d)

The prompt internal reporting of violations to an appropriate person or persons identified in the code; and

(e)

Accountability for adherence to the code.

14.11

If the response to 14.1 is No, please explain:

14.2

Has the code of ethics for senior managers been amended?

Yes [ ] No [ X ]

14.21

If the response to 14.2 is yes, provide information related to amendment(s).

14.3

Have any provisions of the code of ethics been waived for any of the specified officers?

Yes [ X ] No [ ]

14.31

If the response to 14.3 is yes, provide the nature of any waiver(s).

Unum Group acquired Starmount in 2016. At the time of acquisition, Erich Sternberg and Deborah Sternberg Roth were employed at Starmount.Unum's Code of Conduct includes a personal relationships at work policy, which specifically states that no family member of a senior vice president or above can be hired or employed by any Unum company. Unum waived this policy as it relates to the relationship between Erich Sternberg and Deborah Sternberg Roth following the acquisition to ensure continuity and stability of Starmount's management.

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE STARMOUNT LIFE INSURANCE COMPANY

GENERAL INTERROGATORIES

- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [ ] No [ X ]
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2  Issuing or Confirming Bank Name	3  Circumstances That Can Trigger the Letter of Credit	4  Amount

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? Yes [ X ] No [ ]
17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes [ X ] No [ ]
18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict with the official duties of such person? Yes [ X ] No [ ]

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [ ] No [ X ]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

20.11 To directors or other officers\$

20.12 To stockholders not officers\$

20.13 Trustees, supreme or grand (Fraternal Only)\$
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):

20.21 To directors or other officers\$

20.22 To stockholders not officers\$

20.23 Trustees, supreme or grand (Fraternal Only)\$
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [ ] No [ X ]
- 21.2 If yes, state the amount thereof at December 31 of the current year:

21.21 Rented from others\$

21.22 Borrowed from others\$

21.23 Leased from others\$

21.24 Other\$
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [ ] No [ X ]
- 22.2 If answer is yes:

22.21 Amount paid as losses or risk adjustment\$

22.22 Amount paid as expenses\$

22.23 Other amounts paid\$
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [ X ] No [ ]
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$2,394,035

INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes [ X ] No [ ]
- 24.02 If no, give full and complete information relating thereto
- 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
- 24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [ ] No [ ] N/A [ X ]
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs.\$
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs.\$
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [ ] No [ ] N/A [ X ]
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [ ] No [ ] N/A [ X ]
- 24.09 Does the reporting entity or the reporting entity 's securities lending agent utilize the Master Securities lending Agreement (MSLA) to conduct securities lending? Yes [ ] No [ ] N/A [ X ]

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE STARMOUNT LIFE INSURANCE COMPANY

GENERAL INTERROGATORIES

24.10 For the reporting entity’s security lending program state the amount of the following as December 31 of the current year:

24.101	Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.	\$	
24.102	Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.	\$	
24.103	Total payable for securities lending reported on the liability page.	\$	

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03).

Yes ☒ No ☐

25.2	If yes, state the amount thereof at December 31 of the current year:	25.21 Subject to repurchase agreements	\$	
		25.22 Subject to reverse repurchase agreements	\$	
		25.23 Subject to dollar repurchase agreements	\$	
		25.24 Subject to reverse dollar repurchase agreements	\$	
		25.25 Placed under option agreements	\$	
		25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock	\$	
		25.27 FHLB Capital Stock	\$	32,300
		25.28 On deposit with states	\$	3,855,800
		25.29 On deposit with other regulatory bodies	\$	
		25.30 Pledged as collateral - excluding collateral pledged to an FHLB	\$	
		25.31 Pledged as collateral to FHLB - including assets backing funding agreements	\$	
		25.32 Other	\$	

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes ☐ No ☒

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?

Yes ☐ No ☐ N/A ☐

If no, attach a description with this statement.

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes ☐ No ☒

27.2 If yes, state the amount thereof at December 31 of the current year.

\$

28. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes ☒ No ☐

28.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
Regions Trust	400 Convention St., 3rd Floor Baton Rouge, LA 70802

28.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year?

Yes ☐ No ☒

28.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE STARMOUNT LIFE INSURANCE COMPANY

GENERAL INTERROGATORIES

28.05 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. ["...that have access to the investment accounts"; "...handle securities"]

1 Name of Firm or Individual	2 Affiliation
Prime Advisors (107680) .....	U.....
.....	.....

28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's assets?..... Yes [ X ] No [ ]

28.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's assets?..... Yes [ X ] No [ ]

28.06 For those firms or individuals listed in the table for 28.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
107680 .....	Prime Advisors, Inc. ....	None .....	Securities and Exchange Commission ...	DS.....
.....	.....	.....	.....	.....

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5(b)(1)])? ..... Yes [ ] No [ X ]

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29.2999 - Total		

29.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
.....	.....	.....	.....

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds .....	43,562,192	43,397,492	(164,700)
30.2 Preferred stocks .....			
30.3 Totals	43,562,192	43,397,492	(164,700)

30.4 Describe the sources or methods utilized in determining the fair values:  
Barclays, Bloomberg BVAL, and IDC .....

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? ..... Yes [ ] No [ X ]

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? ..... Yes [ ] No [ ]

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:  
.....

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed? ..... Yes [ X ] No [ ]

32.2 If no, list exceptions:  
.....

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE STARMOUNT LIFE INSURANCE COMPANY

GENERAL INTERROGATORIES

33.

By self-designating 5GI securities, the reporting entity is certifying the following elements of each self-designated 5GI security:  
a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.  
b. Issuer or obligor is current on all contracted interest and principal payments.  
c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.  
Has the reporting entity self-designated 5GI securities? .....

Yes [ ] No [ X ]
34.

By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:  
a. The security was purchased prior to January 1, 2018.  
b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.  
c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as a NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.  
d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.  
Has the reporting entity self-designated PLGI securities? .....

Yes [ ] No [ X ]

OTHER

35.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? .....\$ .....54,823

35.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
National Association of Vision Care Plans .....	20,750
.....	

36.1 Amount of payments for legal expenses, if any? .....\$ .....

36.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
.....	
.....	

37.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? .....\$ .....14,713

37.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
National Association of Vision Care Plans .....	7,574
National Association of Dental Plans .....	3,802
.....	

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE STARMOUNT LIFE INSURANCE COMPANY

GENERAL INTERROGATORIES

PART 2 - LIFE INTERROGATORIES

1.1

Does the reporting entity have any direct Medicare Supplement Insurance in force? .....

Yes [ ] No [ X ]

1.2

If yes, indicate premium earned on U.S. business only .....

\$ .....

1.3

What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? .....

\$ .....

1.31

Reason for excluding: .....

1.4

Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. ....

\$ .....

1.5

Indicate total incurred claims on all Medicare Supplement insurance. ....

\$ .....

1.6

Individual policies:

Most current three years:

1.61

Total premium earned .....

\$ .....

1.62

Total incurred claims .....

\$ .....

1.63

Number of covered lives .....

All years prior to most current three years

1.64

Total premium earned .....

\$ .....

1.65

Total incurred claims .....

\$ .....

1.66

Number of covered lives .....

1.7

Group policies:

Most current three years:

1.71

Total premium earned .....

\$ .....

1.72

Total incurred claims .....

\$ .....

1.73

Number of covered lives .....

All years prior to most current three years

1.74

Total premium earned .....

\$ .....

1.75

Total incurred claims .....

\$ .....

1.76

Number of covered lives .....

2.

Health Test:

1

Current Year

2

Prior Year

2.1

Premium Numerator .....

202,831,771

170,955,618

2.2

Premium Denominator .....

209,895,083

179,671,053

2.3

Premium Ratio (2.1/2.2) .....

0.966

0.951

2.4

Reserve Numerator .....

14,575,603

11,931,779

2.5

Reserve Denominator .....

37,381,093

34,344,364

2.6

Reserve Ratio (2.4/2.5) .....

0.390

0.347

3.1

Does this reporting entity have Separate Accounts? .....

Yes [ ] No [ X ]

3.2

If yes, has a Separate Accounts Statement been filed with this Department? .....

Yes [ ] No [ ] N/A [ X ]

3.3

What portion of capital and surplus funds of the reporting entity covered by assets in the Separate Accounts statement, is not currently distributable from the Separate Accounts to the general account for use by the general account? .....

\$ .....

3.4

State the authority under which Separate Accounts are maintained: .....

3.5

Was any of the reporting entity's Separate Accounts business reinsured as of December 31? .....

Yes [ ] No [ X ]

3.6

Has the reporting entity assumed by reinsurance any Separate Accounts business as of December 31? .....

Yes [ ] No [ X ]

3.7

If the reporting entity has assumed Separate Accounts business, how much, if any, reinsurance assumed receivable for reinsurance of Separate Accounts reserve expense allowances is included as a negative amount in the liability for "Transfers to Separate Accounts due or accrued (net)"? .....

\$ .....

4.1

Are personnel or facilities of this reporting entity used by another entity or entities or are personnel or facilities of another entity or entities used by this reporting entity (except for activities such as administration of jointly underwritten group contracts and joint mortality or morbidity studies)? .....

Yes [ X ] No [ ]

4.2

Net reimbursement of such expenses between reporting entities:

4.21

Paid .....

\$ .....

39,739,832

4.22

Received .....

\$ .....

299,000

5.1

Does the reporting entity write any guaranteed interest contracts? .....

Yes [ ] No [ X ]

5.2

If yes, what amount pertaining to these lines is included in:

5.21

Page 3, Line 1 .....

\$ .....

5.22

Page 4, Line 1 .....

\$ .....

6.

FOR STOCK REPORTING ENTITIES ONLY:

6.1

Total amount paid in by stockholders as surplus funds since organization of the reporting entity: .....

\$ .....

34,580,000

7.

Total dividends paid stockholders since organization of the reporting entity:

7.11

Cash .....

\$ .....

10,191,584

7.12

Stock .....

\$ .....

1,500,000

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE STARMOUNT LIFE INSURANCE COMPANY

GENERAL INTERROGATORIES

8.1 Does the company reinsure any Workers' Compensation Carve-Out business defined as: ..... Yes [ ] No [ X ]  
Reinsurance (including retrocessional reinsurance) assumed by life and health insurers of medical, wage loss and death  
benefits of the occupational illness and accident exposures, but not the employers liability exposures, of business originally  
written as workers' compensation insurance.

8.2 If yes, has the reporting entity completed the Workers' Compensation Carve-Out Supplement to the Annual Statement? ..... Yes [ ] No [ X ]

8.3 If 8.1 is yes, the amounts of earned premiums and claims incurred in this statement are:

	1	2	3
	Reinsurance	Reinsurance	Net
	Assumed	Ceded	Retained
8.31 Earned premium .....	.....	.....	.....
8.32 Paid claims .....	.....	.....	.....
8.33 Claim liability and reserve (beginning of year) .....	.....	.....	.....
8.34 Claim liability and reserve (end of year) .....	.....	.....	.....
8.35 Incurred claims .....	.....	.....	.....

8.4 If reinsurance assumed included amounts with attachment points below \$1,000,000, the distribution of the amounts reported in Lines 8.31 and 8.34 for Column (1) are:

	Attachment	1	2
	Point	Earned	Claim Liability
		Premium	and Reserve
8.41	<\$25,000	.....	.....
8.42	\$25,000 - 99,999	.....	.....
8.43	\$100,000 - 249,999	.....	.....
8.44	\$250,000 - 999,999	.....	.....
8.45	\$1,000,000 or more	.....	.....

8.5 What portion of earned premium reported in 8.31, Column 1 was assumed from pools? .....\$ .....

9. For reporting entities having sold annuities to another insurer where the insurer purchasing the annuities has obtained a release of liability from the claimant (payee) as the result of the purchase of an annuity from the reporting entity only:

9.1 Amount of loss reserves established by these annuities during the current year: .....\$ .....

9.2 List the name and location of the insurance company purchasing the annuities and the statement value on the purchase date of the annuities.

1	2
	Statement Value
	on Purchase Date
	of Annuities
	(i.e., Present Value)
P&C Insurance Company And Location	
.....	

10.1 Do you act as a custodian for health savings accounts? ..... Yes [ ] No [ X ]

10.2 If yes, please provide the amount of custodial funds held as of the reporting date. ....\$ .....

10.3 Do you act as an administrator for health savings accounts? ..... Yes [ ] No [ X ]

10.4 If yes, please provide the balance of funds administered as of the reporting date. ....\$ .....



ANNUAL STATEMENT FOR THE YEAR 2018 OF THE STARMOUNT LIFE INSURANCE COMPANY

GENERAL INTERROGATORIES

- 11.1 Are any of the captive affiliates reported on Schedule S, Part 3, authorized reinsurers? ..... Yes [ ] No [ X ] N/A [ ]
- 11.2 If the answer to 11.1 is yes, please provide the following:

1  Company Name	2 NAIC Company Code	3  Domiciliary Jurisdiction	4  Reserve Credit	Assets Supporting Reserve Credit		
				5  Letters of Credit	6  Trust Agreements	7  Other
.....	.....	.....	.....	.....	.....	.....

12. Provide the following for individual ordinary life insurance\* policies (U.S. business only) for the current year (prior to reinsurance assumed or ceded):
- 12.1 Direct Premium Written .....

\$ .....7,255,435
- 12.2 Total Incurred Claims .....

\$ .....5,575,768
- 12.3 Number of Covered Lives .....

.....12,348

*Ordinary Life Insurance Includes
Term (whether full underwriting,limited underwriting,jet issue,"short form app")
Whole Life (whether full underwriting,limited underwriting,jet issue,"short form app")
Variable Life (with or without secondary gurarantee)
Universal Life (with or without secondary gurarantee)
Variable Universal Life (with or without secondary gurarantee)

13. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states? ..... Yes [ X ] No [ ]
- 13.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity? ..... Yes [ ] No [ ]

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE STARMOUNT LIFE INSURANCE COMPANY

FIVE-YEAR HISTORICAL DATA

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e. 17.6.  
\$000 omitted for amounts of life insurance

	1 2018	2 2017	3 2016	4 2015	5 2014
<b>Life Insurance in Force</b> (Exhibit of Life Insurance)					
1. Ordinary - whole life and endowment (Line 34, Col. 4) .....	44,157	47,104	48,755	48,520	48,707
2. Ordinary - term (Line 21, Col. 4, less Line 34, Col. 4) .....	229,544	272,929	314,973	360,179	404,979
3. Credit life (Line 21, Col. 6) .....					
4. Group, excluding FEGLI/SGLI (Line 21, Col. 9 less Lines 43 & 44, Col. 4) .....	9,849	223,565	472,193	346,870	241,257
5. Industrial (Line 21, Col. 2) .....					
6. FEGLI/SGLI (Lines 43 & 44, Col. 4) .....					
7. Total (Line 21, Col. 10) .....	283,550	543,598	835,921	755,569	694,943
7.1 Total in force for which VM-20 deterministic/stochastic reserves are calculated .....			XXX	XXX	XXX
<b>New Business Issued</b> (Exhibit of Life Insurance)					
8. Ordinary - whole life and endowment (Line 34, Col. 2) .....	2,687	4,396	6,014	6,336	8,917
9. Ordinary - term (Line 2, Col. 4, less Line 34, Col. 2) .....	1,864	4,239	11,586	11,348	28,042
10. Credit life (Line 2, Col. 6) .....					
11. Group (Line 2, Col. 9) .....					
12. Industrial (Line 2, Col. 2) .....					
13. Total (Line 2, Col. 10) .....	4,551	8,635	17,600	17,684	36,959
<b>Premium Income - Lines of Business</b> (Exhibit 1 - Part 1)					
14. Industrial life (Line 20.4, Col. 2) .....					
15.1 Ordinary-life insurance (Line 20.4, Col. 3) .....	6,776,144	7,241,980	7,847,713	8,264,466	8,463,988
15.2 Ordinary-individual annuities (Line 20.4, Col. 4) .....					
16. Credit life (group and individual) (Line 20.4, Col. 5) .....					
17.1 Group life insurance (Line 20.4, Col. 6) .....	287,168	1,473,455	1,759,298	1,122,772	808,485
17.2 Group annuities (Line 20.4, Col. 7) .....					
18.1 A & H-group (Line 20.4, Col. 8) .....	184,220,375	152,698,042	118,609,041	102,349,755	82,774,756
18.2 A & H-credit (group and individual) (Line 20.4, Col. 9) .....					
18.3 A & H-other (Line 20.4, Col. 10) .....	18,611,396	18,257,576	16,072,711	9,240,705	3,111,305
19. Aggregate of all other lines of business (Line 20.4, Col. 11) .....					
20. Total .....	209,895,083	179,671,053	144,288,763	120,977,698	95,158,534
<b>Balance Sheet (Pages 2 &amp; 3)</b>					
21. Total admitted assets excluding Separate Accounts business (Page 2, Line 26, Col. 3) .....	94,040,314	79,850,698	76,213,202	65,949,730	59,129,619
22. Total liabilities excluding Separate Accounts business (Page 3, Line 26) .....	48,710,562	42,401,341	43,962,854	37,666,946	34,122,394
23. Aggregate life reserves (Page 3, Line 1) .....	23,619,882	22,501,019	21,721,726	20,762,593	19,412,233
23.1 Excess VM-20 deterministic/stochastic reserve over NPR related to Line 7.1 .....			XXX	XXX	XXX
24. Aggregate A & H reserves (Page 3, Line 2) .....	258,289	244,696	246,746	251,131	228,015
25. Deposit-type contract funds (Page 3, Line 3) .....					
26. Asset valuation reserve (Page 3, Line 24.01) .....	389,189	305,696	210,240	679,766	746,428
27. Capital (Page 3, Lines 29 and 30) .....	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
28. Surplus (Page 3, Line 37) .....	42,329,752	34,449,357	29,250,348	25,282,784	22,007,225
<b>Cash Flow (Page 5)</b>					
29. Net Cash from Operations (Line 11) .....	2,839,646	(2,224,799)	3,935,861	8,205,665	7,680,673
<b>Risk-Based Capital Analysis</b>					
30. Total adjusted capital .....	45,718,941	37,755,053	32,460,588	28,962,550	25,753,653
31. Authorized control level risk - based capital .....	7,136,493	6,291,591	5,013,710	3,885,082	3,111,495
<b>Percentage Distribution of Cash, Cash Equivalents and Invested Assets</b> (Page 2, Col. 3) (Line No. /Page 2, Line 12, Col. 3) x 100.0					
32. Bonds (Line 1) .....	55.5	56.5	64.0	68.4	69.8
33. Stocks (Lines 2.1 and 2.2) .....	0.1	0.1	0.1	1.7	2.3
34. Mortgage loans on real estate(Lines 3.1 and 3.2 ) .....					
35. Real estate (Lines 4.1, 4.2 and 4.3) .....	7.0	8.6	3.7	6.9	7.9
36. Cash, cash equivalents and short-term investments (Line 5) .....	36.5	33.7	31.2	22.1	19.1
37. Contract loans (Line 6) .....	1.0	1.1	1.0	0.9	1.0
38. Derivatives (Page 2, Line 7) .....					
39. Other invested assets (Line 8) .....					
40. Receivables for securities (Line 9) .....					
41. Securities lending reinvested collateral assets (Line 10) .....					
42. Aggregate write-ins for invested assets (Line 11) .....					
43. Cash, cash equivalents and invested assets (Line 12) .....	100.0	100.0	100.0	100.0	100.0

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2018	2 2017	3 2016	4 2015	5 2014
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
44. Affiliated bonds (Schedule D Summary, Line 12, Col. 1) .....					
45. Affiliated preferred stocks (Schedule D Summary, Line 18, Col. 1) .....					
46. Affiliated common stocks (Schedule D Summary Line 24, Col. 1), .....					
47. Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10) .....					
48. Affiliated mortgage loans on real estate .....					
49. All other affiliated .....					
50. Total of above Lines 44 to 49 .....					
51. Total Investment in Parent included in Lines 44 to 49 above .....					
<b>Total Nonadmitted and Admitted Assets</b>					
52. Total nonadmitted assets (Page 2, Line 28, Col. 2) ..	949,534	1,768,893	1,208,228	325,667	374,756
53. Total admitted assets (Page 2, Line 28, Col. 3) .....	94,040,314	79,850,698	76,213,202	65,949,730	59,129,619
<b>Investment Data</b>					
54. Net investment income (Exhibit of Net Investment Income) .....	1,719,056	1,386,125	1,385,140	1,312,614	1,067,209
55. Realized capital gains (losses) (Page 4, Line 34, Column 1 ) .....	(5,562)	(717,201)	(1,456,749)		
56. Unrealized capital gains (losses) (Page 4, Line 38, Column 1) .....		0	(65,870)	(84,066)	54,468
57. Total of above Lines 54, 55 and 56 .....	1,713,494	668,924	(137,479)	1,228,548	1,121,677
<b>Benefits and Reserve Increases (Page 6)</b>					
58. Total contract benefits - life (Lines 10, 11, 12, 13, 14 and 15 Col. 1, minus Lines 10, 11,12, 13, 14 and 15 Cols. 9, 10 and 11) .....	5,216,383	6,030,705	6,287,257	5,555,447	5,058,644
59. Total contract benefits - A & H (Lines 13 & 14, Cols. 9, 10 & 11) .....	138,838,515	118,392,976	91,159,228	77,706,878	58,960,043
60. Increase in life reserves - other than group and annuities (Line 19, Cols. 2 and 3 ) .....	1,122,238	770,843	1,067,479	1,290,671	1,743,951
61. Increase in A & H reserves (Line 19, Cols. 9, 10 & 11) .....	13,593	(2,050)	(4,385)	23,116	19,636
62. Dividends to policyholders (Line 30, Col. 1) .....					
<b>Operating Percentages</b>					
63. Insurance expense percent (Page 6, Col. 1, Lines 21, 22 & 23, less Line 6)/(Page 6, Col. 1, Line 1 plus Exhibit 7, Col. 2, Line 2) x 100.0 .....	31.3	30.5	26.4	23.5	23.9
64. Lapse percent (ordinary only) [(Exhibit of Life Insurance, Col. 4, Lines 14 & 15) / 1/2 (Exhibit of Life Insurance, Col. 4, Lines 1 & 21)] x 100.0 .....	12.6	11.0	12.3	10.8	12.6
65. A & H loss percent (Schedule H, Part 1, Lines 5 and 6, Col. 2) .....	69.9	70.3	68.0	70.6	68.7
66. A & H cost containment percent (Schedule H, Pt. 1, Line 4, Col. 2) .....	1.5	1.0	0.4	0.4	0.4
67. A & H expense percent excluding cost containment expenses (Schedule H, Pt. 1, Line 10, Col. 2) .....	35.4	32.2	29.1	26.6	25.8
<b>A &amp; H Claim Reserve Adequacy</b>					
68. Incurred losses on prior years' claims - group health (Schedule H, Part 3, Line 3.1 Col. 2) .....	9,741,443	10,501,248	7,185,793	7,404,261	5,591,413
69. Prior years' claim liability and reserve - group health (Schedule H, Part 3, Line 3.2 Col. 2) .....	10,716,088	11,170,412	8,287,437	7,529,338	5,745,671
70. Incurred losses on prior years' claims-health other than group (Schedule H, Part 3, Line 3.1 Col. 1 less Col. 2) .....	811,130	618,110	427,531	136,212	36,584
71. Prior years' claim liability and reserve-health other than group (Schedule H, Part 3, Line 3.2 Col. 1 less Col. 2) .....	1,170,235	724,518	616,993	231,009	41,486
<b>Net Gains From Operations After Federal Income Taxes by Lines of Business (Page 6, Line 33)</b>					
72. Industrial life (Col. 2) .....					
73. Ordinary - life (Col. 3) .....	(1,721)	387,525	24,412	652,820	127,582
74. Ordinary - individual annuities (Col. 4) .....	3,455	(23)	201	437	2,148
75. Ordinary-supplementary contracts (Col. 5) .....					
76. Credit life (Col. 6) .....					
77. Group life (Col. 7) .....	12,055	206,022	1,885	(49,236)	(83,948)
78. Group annuities (Col. 8) .....					
79. A & H-group (Col. 9) .....	(9,132,916)	(2,499,986)	970,847	2,959,714	3,314,611
80. A & H-credit (Col. 10) .....					
81. A & H-other (Col. 11) .....	(373,317)	(142,460)	25,686	439,464	458,503
82. Aggregate of all other lines of business (Col. 12) ....					
83. Total (Col. 1) .....	(9,492,443)	(2,048,922)	1,023,031	4,003,199	3,818,896

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors? Yes [        ] No [        ]

If no, please explain: .....

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE STARMOUNT LIFE INSURANCE COMPANY

**EXHIBIT OF LIFE INSURANCE**

**(\$000 Omitted for Amounts of Life Insurance)**

	Industrial		Ordinary		Credit Life (Group and Individual)		Group			10
	1	2	3	4	5	6	Number of		9	Total Amount of Insurance
	Number of Policies	Amount of Insurance	Number of Policies	Amount of Insurance	Number of Individual Policies and Group Certificates	Amount of Insurance	7 Policies	8 Certificates	Amount of Insurance	
1. In force end of prior year .....			13,915	320,033			403	13,956	223,565	543,598
2. Issued during year .....			243	4,551						4,551
3. Reinsurance assumed .....										
4. Revived during year .....										
5. Increased during year (net) .....										
6. Subtotals, Lines 2 to 5 .....			243	4,551						4,551
7. Additions by dividends during year .....	XXX		XXX		XXX		XXX	XXX		
8. Aggregate write-ins for increases .....										
9. Totals (Lines 1 and 6 to 8) .....			14,158	324,584			403	13,956	223,565	548,149
Deductions during year:										
10. Death .....			325	5,627			XXX	8	90	5,717
11. Maturity .....							XXX			
12. Disability .....							XXX			
13. Expiry .....			25	314						314
14. Surrender .....			102	1,999						1,999
15. Lapse .....			1,210	35,477			4	25	25	35,502
16. Conversion .....			148	4,140			XXX	XXX	XXX	4,140
17. Decreased (net) .....				3,326			217	13,035	213,601	216,928
18. Reinsurance .....										
19. Aggregate write-ins for decreases .....										
20. Totals (Lines 10 to 19) .....			1,810	50,883			221	13,068	213,716	264,600
21. In force end of year (Line 9 minus Line 20) .....			12,348	273,701			182	888	9,849	283,550
22. Reinsurance ceded end of year .....	XXX		XXX	41,111	XXX		XXX	XXX	210	41,320
23. Line 21 minus Line 22 .....	XXX		XXX	232,590	XXX	(a)	XXX	XXX	9,639	242,229
<b>DETAILS OF WRITE-INS</b>										
0801. ....										
0802. ....										
0803. ....										
0898. Summary of remaining write-ins for Line 8 from overflow page. ....										
0899. TOTALS (Lines 0801 thru 0803 plus 0898) (Line 8 above) .....										
1901. ....										
1902. ....										
1903. ....										
1998. Summary of remaining write-ins for Line 19 from overflow page. ....										
1999. TOTALS (Lines 1901 thru 1903 plus 1998) (Line 19 above) .....										

(a) Group \$ ..... ; Individual \$ .....

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE STARMOUNT LIFE INSURANCE COMPANY

EXHIBIT OF LIFE INSURANCE

(\$000 Omitted for Amounts of Life Insurance) (Continued)  
ADDITIONAL INFORMATION ON INSURANCE IN FORCE END OF YEAR

	Industrial		Ordinary	
	1 Number of Policies	2 Amount of Insurance	3 Number of Policies	4 Amount of Insurance
24. Additions by dividends .....	XXX.....	.....	XXX.....	.....
25. Other paid-up insurance .....	.....	.....	.....	.....
26. Debit ordinary insurance .....	XXX	XXX		

ADDITIONAL INFORMATION ON ORDINARY INSURANCE

Term Insurance Excluding Extended Term Insurance	Issued During Year (Included in Line 2)		In Force End of Year (Included in Line 21)	
	1 Number of Policies	2 Amount of Insurance	3 Number of Policies	4 Amount of Insurance
27. Term policies - decreasing .....	.....	.....	.....	.....
28. Term policies - other .....	87	1,864	9,004	229,544
29. Other term insurance - decreasing .....	XXX	.....	XXX	.....
30. Other term insurance .....	XXX	.....	XXX	.....
31. Totals (Lines 27 to 30) .....	87	1,864	9,004	229,544
Reconciliation to Lines 2 and 21:				
32. Term additions .....	XXX	.....	XXX	.....
33. Totals, extended term insurance .....	XXX	XXX	.....	.....
34. Totals, whole life and endowment .....	156	2,687	3,344	44,157
35. Totals (Lines 31 to 34) .....	243	4,551	12,348	273,701

CLASSIFICATION OF AMOUNT OF INSURANCE BY PARTICIPATING STATUS

	Issued During Year (Included in Line 2)		In Force End of Year (Included in Line 21)	
	1 Non-Participating	2 Participating	3 Non-Participating	4 Participating
36. Industrial .....	.....	.....	.....	.....
37. Ordinary .....	4,551	.....	273,701	.....
38. Credit Life (Group and Individual) .....	.....	.....	.....	.....
39. Group .....	.....	.....	9,849	.....
40. Totals (Lines 36 to 39) .....	4,551	.....	283,550	.....

ADDITIONAL INFORMATION ON CREDIT LIFE AND GROUP INSURANCE

	Credit Life		Group	
	1 Number of Individual Policies and Group Certificates	2 Amount of Insurance	3 Number of Certificates	4 Amount of Insurance
41. Amount of insurance included in Line 2 ceded to other companies .....	XXX	.....	XXX	.....
42. Number in force end of year if the number under shared groups is counted on a pro-rata basis .....	.....	XXX	.....	XXX
43. Federal Employees' Group Life Insurance included in Line 21 .....	.....	.....	.....	.....
44. Servicemen's Group Life Insurance included in Line 21 .....	.....	.....	.....	.....
45. Group Permanent Insurance included in Line 21 .....	.....	.....	.....	.....

ADDITIONAL ACCIDENTAL DEATH BENEFITS

46. Amount of additional accidental death benefits in force end of year under ordinary policies .....	59,152
---	--------

BASIS OF CALCULATION OF ORDINARY TERM INSURANCE

47. State basis of calculation of (47.1) decreasing term insurance contained in Family Income, Mortgage Protection, etc., policies and riders and of (47.2) term insurance on wife and children under Family, Parent and Children, etc., policies and riders included above.
47.1 .....
47.2 .....

POLICIES WITH DISABILITY PROVISIONS

	Industrial		Ordinary		Credit		Group	
	1 Number of Policies	2 Amount of Insurance	3 Number of Policies	4 Amount of Insurance	5 Number of Policies	6 Amount of Insurance	7 Number of Certi- ficates	8 Amount of Ins urance
48. Waiver of Premium .....	.....	.....	.....	.....	.....	.....	.....	.....
49. Disability Income .....	.....	.....	.....	.....	.....	.....	.....	.....
50. Extended Benefits .....	.....	.....	XXX	XXX	.....	.....	.....	.....
51. Other .....	.....	.....	.....	.....	.....	.....	.....	.....
52. Total .....		(a)		(a)		(a)		(a)

(a) See the Annual Audited Financial Reports section of the annual statement instructions

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE STARMOUNT LIFE INSURANCE COMPANY

EXHIBIT OF NUMBER OF POLICIES, CONTRACTS, CERTIFICATES, INCOME PAYABLE AND ACCOUNT VALUES IN FORCE FOR SUPPLEMENTARY CONTRACTS, ANNUITIES, ACCIDENT & HEALTH AND OTHER POLICIES

SUPPLEMENTARY CONTRACTS				
	Ordinary		Group	
	1 Involving Life Contingencies	2 Not Involving Life Contingencies	3 Involving Life Contingencies	4 Not Involving Life Contingencies
1. In force end of prior year .....				
2. Issued during year .....				
3. Reinsurance assumed .....				
4. Increased during year (net) .....				
5. Total (Lines 1 to 4) .....				
Deductions during year:				
6. Decreased (net) .....				
7. Reinsurance ceded .....				
8. Totals (Lines 6 and 7) .....				
9. In force end of year .....				
10. Amount on deposit .....		(a)		(a)
11. Income now payable .....				
12. Amount of income payable .....	(a)	(a)	(a)	(a)

ANNUITIES				
	Ordinary		Group	
	1 Immediate	2 Deferred	3 Contracts	4 Certificates
1. In force end of prior year .....		10		
2. Issued during year .....				
3. Reinsurance assumed .....				
4. Increased during year (net) .....				
5. Totals (Lines 1 to 4) .....		10		
Deductions during year:				
6. Decreased (net) .....				
7. Reinsurance ceded .....				
8. Totals (Lines 6 and 7) .....				
9. In force end of year .....		10		
Income now payable:				
10. Amount of income payable .....	(a)	XXX	XXX	(a)
Deferred fully paid:				
11. Account balance .....	XXX	(a) 66,044	XXX	(a)
Deferred not fully paid:				
12. Account balance .....	XXX	(a)	XXX	(a)

ACCIDENT AND HEALTH INSURANCE						
	Group		Credit		Other	
	1 Certificates	2 Premiums in Force	3 Policies	4 Premiums in Force	5 Policies	6 Premiums in Force
1. In force end of prior year .....	450,957	174,546,925			51,177	25,299,176
2. Issued during year .....	118,575	61,277,600			8,369	3,859,377
3. Reinsurance assumed .....						
4. Increased during year (net) .....		XXX		XXX		XXX
5. Totals (Lines 1 to 4) .....	569,532	XXX		XXX	59,546	XXX
Deductions during year:						
6. Conversions .....		XXX	XXX	XXX	XXX	XXX
7. Decreased (net) .....	85,999	XXX		XXX	15,835	XXX
8. Reinsurance ceded .....		XXX		XXX		XXX
9. Totals (Lines 6 to 8) .....	85,999	XXX		XXX	15,835	XXX
10. In force end of year .....	483,533	(a) 199,189,252		(a)	43,711	(a) 9,396,863

DEPOSIT FUNDS AND DIVIDEND ACCUMULATIONS		
	1 Deposit Funds Contracts	2 Dividend Accumulations Contracts
1. In force end of prior year .....		
2. Issued during year .....		
3. Reinsurance assumed .....		
4. Increased during year (net) .....		
5. Totals (Lines 1 to 4) .....		
Deductions During Year:		
6. Decreased (net) .....		
7. Reinsurance ceded .....		
8. Totals (Lines 6 and 7) .....		
9. In force end of year .....		
10. Amount of account balance .....	(a)	(a)

(a) See the Annual Audited Financial Reports section of the annual statement instructions.

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE STARMOUNT LIFE INSURANCE COMPANY

**SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS (b)**

Allocated by States and Territories

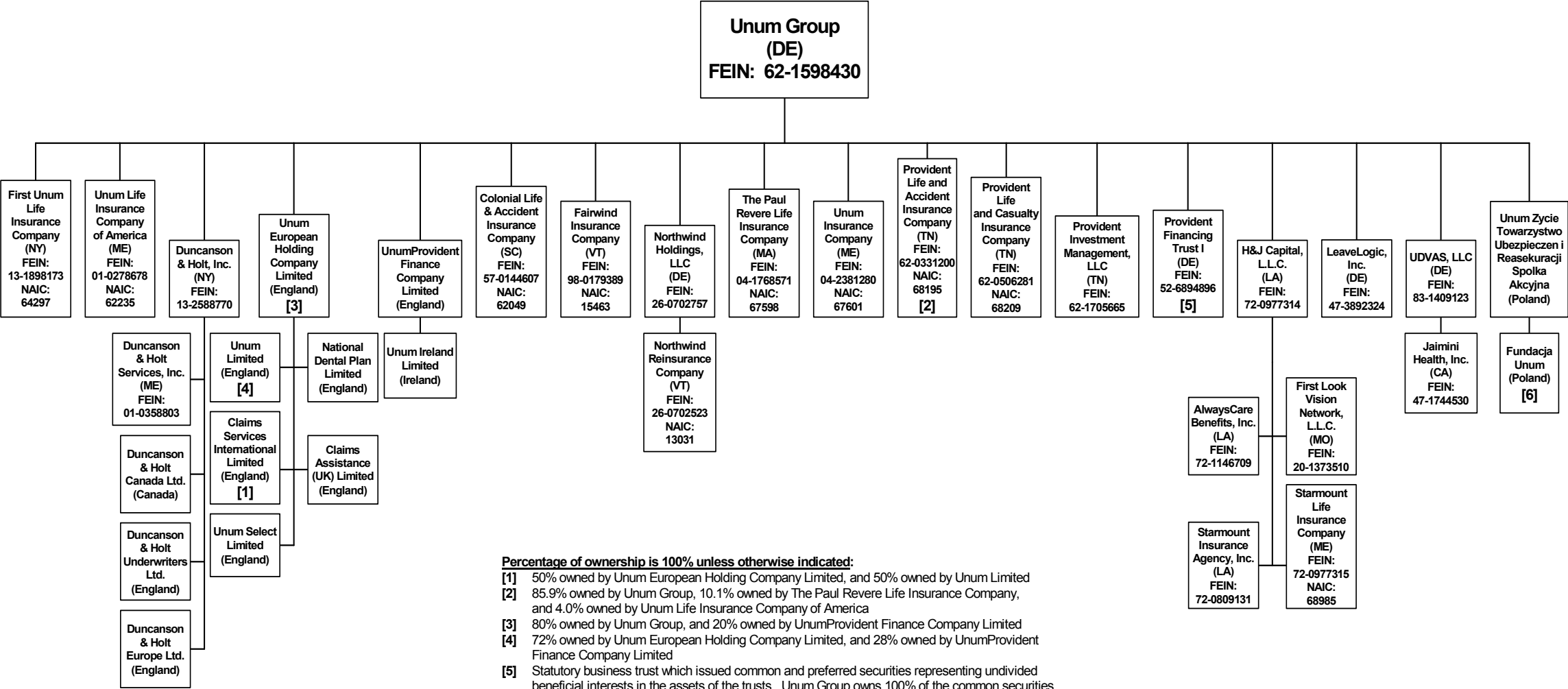
States, Etc.			Direct Business Only						
			Life Contracts		4 Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees	5 Other Considerations	6 Total Columns 2 through 5	7 Deposit-Type Contracts	
			2 Life Insurance Premiums	3 Annuity Considerations					
Active Status (a)									
1.	Alabama .....	AL	L	25,753		1,562,835		1,588,588	
2.	Alaska .....	AK	L	1,383		76,843		78,225	
3.	Arizona .....	AZ	L	157,931		1,390,693		1,548,624	
4.	Arkansas .....	AR	L	264,432		780,567		1,044,998	
5.	California .....	CA	L	114,441		5,248,319		5,362,760	
6.	Colorado .....	CO	L	27,777		579,284		607,061	
7.	Connecticut .....	CT	L	19,870		413,358		433,228	
8.	Delaware .....	DE	L	3,459		65,165		68,624	
9.	District of Columbia .....	DC	L	847		353,893		354,740	
10.	Florida .....	FL	L	954,041		2,853,692		3,807,733	
11.	Georgia .....	GA	L	443,548		8,411,843		8,855,391	
12.	Hawaii .....	HI	L	2,138		31,491		33,629	
13.	Idaho .....	ID	L	1,786		441,830		443,616	
14.	Illinois .....	IL	L	137,507		6,696,795		6,834,302	
15.	Indiana .....	IN	L	244,688		3,529,982		3,774,670	
16.	Iowa .....	IA	L	15,805		225,817		241,622	
17.	Kansas .....	KS	L	90,203		421,609		511,812	
18.	Kentucky .....	KY	L	129,661		685,669		815,330	
19.	Louisiana .....	LA	L	1,044,453		54,501,798		55,546,251	
20.	Maine .....	ME	L	17,169		700,688		717,857	
21.	Maryland .....	MD	L	105,826		422,930		528,756	
22.	Massachusetts .....	MA	L	23,066		139,047		162,113	
23.	Michigan .....	MI	L	96,865		15,338,084		15,434,950	
24.	Minnesota .....	MN	L	47,250		2,227,190		2,274,440	
25.	Mississippi .....	MS	L	180,436		37,900,998		38,081,434	
26.	Missouri .....	MO	L	280,950		2,417,546		2,698,496	
27.	Montana .....	MT	L	1,673		55,176		56,848	
28.	Nebraska .....	NE	L	20,267		264,757		285,024	
29.	Nevada .....	NV	L	7,412		240,602		248,014	
30.	New Hampshire .....	NH	L	1,124		104,746		105,870	
31.	New Jersey .....	NJ	L	51,912		102,646		154,558	
32.	New Mexico .....	NM	L	50,031		148,745		198,776	
33.	New York .....	NY	N						
34.	North Carolina .....	NC	L	331,339		18,657,471		18,988,810	
35.	North Dakota .....	ND	L	4,990		1,592,703		1,597,692	
36.	Ohio .....	OH	L	352,003		6,076,654		6,428,656	
37.	Oklahoma .....	OK	L	123,361		492,318		615,679	
38.	Oregon .....	OR	L	28,436		1,027,329		1,055,765	
39.	Pennsylvania .....	PA	L	258,535		1,248,383		1,506,918	
40.	Rhode Island .....	RI	L	6,093		85,036		91,129	
41.	South Carolina .....	SC	L	329,733		3,915,292		4,245,026	
42.	South Dakota .....	SD	L	10,917		445,500		456,418	
43.	Tennessee .....	TN	L	324,733		2,829,959		3,154,692	
44.	Texas .....	TX	L	719,256		16,376,706		17,095,962	
45.	Utah .....	UT	L	1,035		542,620		543,654	
46.	Vermont .....	VT	L	1,893		24,963		26,856	
47.	Virginia .....	VA	L	157,653		729,783		887,436	
48.	Washington .....	WA	L	37,536		569,499		607,035	
49.	West Virginia .....	WV	L	170,574		220,595		391,168	
50.	Wisconsin .....	WI	L	96,070		5,101,927		5,197,998	
51.	Wyoming .....	WY	L	679		49,013		49,692	
52.	American Samoa .....	AS	N						
53.	Guam .....	GU	N			493		493	
54.	Puerto Rico .....	PR	N			1,809		1,809	
55.	U.S. Virgin Islands .....	VI	N			444		444	
56.	Northern Mariana Islands .....	MP	N						
57.	Canada .....	CAN	N						
58.	Aggregate Other Alien .....	OT	XXX						
59.	Subtotal .....	XXX		7,518,539		208,323,134		215,841,674	
90.	Reporting entity contributions for employee benefits plans .....	XXX							
91.	Dividends or refunds applied to purchase paid-up additions and annuities.....	XXX							
92.	Dividends or refunds applied to shorten endowment or premium paying period .....	XXX							
93.	Premium or annuity considerations waived under disability or other contract provisions.....	XXX							
94.	Aggregate or other amounts not allocable by State.....	XXX							
95.	Totals (Direct Business).....	XXX		7,518,539		208,323,134		215,841,674	
96.	Plus reinsurance assumed.....	XXX		287,123		3,605,675		3,892,798	
97.	Totals (All Business).....	XXX		7,805,662		211,928,810		219,734,472	
98.	Less reinsurance ceded.....	XXX		481,550		5,000,772		5,482,322	
99.	Totals (All Business) less Reinsurance Ceded .....	XXX		7,324,112	(c)	206,928,038		214,252,150	
DETAILS OF WRITE-INS									
58001.	.....	XXX							
58002.	.....	XXX							
58003.	.....	XXX							
58998.	Summary of remaining write-ins for Line 58 from overflow page .....	XXX							
58999.	Totals (Lines 58001 through 58003 plus 58998)(Line 58 above) .....	XXX							
9401.	.....	XXX							
9402.	.....	XXX							
9403.	.....	XXX							
9498.	Summary of remaining write-ins for Line 94 from overflow page .....	XXX							
9499.	Totals (Lines 9401 through 9403 plus 9498)(Line 94 above) .....	XXX							

(a) Active Status Counts:  
L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG.....50 R - Registered - Non-domiciled RRGs.....  
E - Eligible - Reporting entities eligible or approved to write surplus lines in the state..... Q - Qualified - Qualified or accredited reinsurer.....  
N - None of the above - Not allowed to write business in the state.....7

(b) Explanation of basis of allocation by states, etc., of premiums and annuity considerations  
Individual Life and Accident & Health are allocated according to residence of the policy holder at the time premium is paid. Group premiums are allocated to the state of primary residence for groups under 500, while groups over 500 are allocated based on the # of lives in each state.

(c) Column 4 should balance with Exhibit 1, Lines 6.4, 10.4, and 16.4, Cols. 8, 9, 10, or with Schedule H, Part 1, Line 1, indicate which: Exhibit 1, Lines 6.4, 10.4, and 16.4, Cols. 8, 9, 10.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP  
PART 1 - ORGANIZATIONAL CHART







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